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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)

CHANGES IN DIRECTORATE AND AUTHORISED REPRESENTATIVE

The board of directors (“**Board**”) of China New Energy Power Group Limited (“**Company**”) would like to announce that:

- (1) Mr. LAM Kwok Hing Wilfred, JP. has resigned as executive director and chairman of the Board of the Company, and has ceased to be the authorised representative of the Company to The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), all with effect from 14 March 2016, but will act as a consultant to the Company with effect from 14 March 2016;
- (2) Mr. SHI Liangsheng, executive director of the Company, has been appointed by the Board as the new authorised representative to the Stock Exchange of the Company with effect from 14 March 2016; and
- (3) Mr. YU Shaoheng (余紹亨) has been appointed by the Board as new non-executive director of the Company with effect from 14 March 2016.

I. RESIGNATION OF EXECUTIVE DIRECTOR

The Board would like to announce that, due to his desire to devote more time on his personal affairs, Mr. LAM Kwok Hing Wilfred, JP. has resigned as executive director and chairman of the Board of the Company with effect from 14 March 2016.

Consequent on Mr. Lam’s resignation, he has also ceased to be the authorised representative to the Stock Exchange of the Company with effect from 14 March 2016.

Following his resignation, Mr. Lam will act as a consultant to the Company with effect from 14 March 2016. Pursuant to a consultancy service agreement entered into between Mr. Lam and the Company, Mr. Lam has been appointed as a consultant for a fixed term of 12 months starting from 14 March 2016. Mr. Lam will receive an annual consultancy fee of HK\$1,560,000 payable by twelve

equal instalments monthly in arrears, and in addition, a fixed bonus of HK\$130,000. The Company may, at its sole and absolute discretion, further give/grant a discretionary bonus and/or share option to Mr. Lam during the said service period. The terms of such consultancy service agreement are determined after arm's length negotiation between the Company and Mr. Lam, and are normal commercial terms in the opinion of the directors (including independent non-executive directors) of the Company. Since, on an aggregate basis, each of the applicable percentage ratios calculated with reference to Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) is expected to be less than 5% and the aggregate annual consideration is expected to be less than HK\$3,000,000, the transactions under the consultancy service agreement will constitute fully exempt continuing connected transactions of the Company under Rule 14A.76(1) of the Listing Rules.

Mr. Lam has confirmed that he does not have any disagreement with the Board, and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to express its appreciation to Mr. Lam for his valuable contributions and services to the Company during his tenure of office as an executive director and chairman of the Board of the Company.

The Company is now reviewing the appointment of a member of the Board to be the new chairman of the Board to fill the role consequent on Mr. Lam's resignation. The Board will publish an announcement when the appointment of the new chairman is approved by the Board.

II. APPOINTMENT OF NEW AUTHORISED REPRESENTATIVE TO THE STOCK EXCHANGE

The Board is pleased to announce that Mr. SHI Liangsheng, executive director of the Company, has been appointed by the Board as the new authorised representative to the Stock Exchange of the Company with effect from 14 March 2016 to fill the role consequent on Mr. Lam's cessation to act the same position as mentioned above.

III. APPOINTMENT OF NEW NON-EXECUTIVE DIRECTOR

The Board is further delighted to announce Mr. YU Shaoheng (余紹亨) has been appointed by the Board as new additional non-executive director of the Company with effect from 14 March 2016.

Mr. Yu, aged 31, is currently the chairman of 陝西亨澤實業有限公司, which is principally engaged in investment in and development of energy, mining, environmental-preservation, real estate, and tourism businesses. He is also a director and shareholder of 陝西中昌新能源發展有限公司, which main line of business focuses on research and development of technologies on new energy, installation of pipe-line infrastructures, and sale of gas utensil. Furthermore, he is a supervisor of 烏蘭察布市科潔燃氣有限責任公司, which principally carries on the following businesses: construction and re-construction of city gas infrastructures; design and engineering of expansion work and related installation and development management; transportation, sale, provision of after-sale service, research and development of technologies and provision of consultancy service in

relation to city gas; construction and operation of various types of gas station; sale of petroleum and natural gas related equipment; and, construction, operation and management of compressed natural gas projects.

The said Mr. Yu is the son of Mr. YU Weiye, a substantial shareholder of the Company currently holding as at the date of this announcement 511,770,000 ordinary shares in the Company, which represent approximately 14.68% of the entire issued share capital of the Company.

Save as disclosed herein, as at the date of this announcement, (i) Mr. Yu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; (ii) does not have any interests in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (iii) does not hold other positions with the Company and its subsidiaries; and (iv) has not held any directorship in any public listed companies in the last three years preceding the date of this announcement or any other major appointments or professional qualifications.

Mr. Yu has entered into a service contract with the Company on 14 March 2016, which can be terminated (i) by the Company by giving not less than 1 month's prior notice in writing to Mr. Yu, or (ii) by Mr. Yu by giving not less than 3 months' prior notice in writing to the Company. As a director, he is subject to retirement by rotation and his office can be vacated in accordance with the bye-laws of the Company. In particular, Mr. Yu, as appointed by the Board, shall hold office until the next following general meeting of the Company and will be entitled to offer himself for re-election at such meeting. Mr. Yu is entitled to a director's fee of HK\$360,000 per annum which is determined after arm's length negotiation between Mr. Yu and the Company, and with reference to his duties and responsibilities, his qualifications and experience, the prevailing market conditions and the Company's remuneration policy.

Save as disclosed above, there is no information relating to Mr. Yu that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor is there any matter about him that needs to be brought to the attention of the shareholders of the Company.

The Board would like to extend a warm welcome to Mr. Yu.

By order of the Board
China New Energy Power Group Limited
Wu Xiaolin
Executive Director

Hong Kong, 15 March 2016

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. WU Xiaolin (Chief Executive Officer), Mr. SHI Liangsheng and Mr. WEN Wenfeng; two Non-Executive Directors, namely Mr. LUNG Chee Ming George and Mr. YU Shaoheng; and three Independent Non-Executive Directors, namely Dr. LOKE Yu (alias LOKE Hoi Lam), Mr. Tse Long and Mr. ZENG Zhaolin.