

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**PROPOSED SHARE CONSOLIDATION
AND
PROPOSED CHANGE OF COMPANY NAME**

Financial adviser to the Company



PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation involving a share consolidation of every five (5) issued and unissued Shares of par value of US\$0.001 into one (1) Consolidated Share of par value of US\$0.005.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “China New Energy Power Group Limited” to “Lamtex Holdings Limited” and the secondary name of the Company from “中國新能源動力集團有限公司” to “林達控股有限公司”.

GENERAL

The SGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the proposed Share Consolidation and the Change of Company Name. A circular containing, among other things, further details about the Share Consolidation and the Change of Company Name and the notice convening the SGM, will be despatched to the Shareholders on or before 6 July 2016.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation involving a share consolidation of every five (5) issued and unissued Shares of par value of US\$0.001 into one (1) Consolidated Share of par value of US\$0.005.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon (i) the passing of the ordinary resolution to approve the Share Consolidation by the Shareholders at the SGM; and (ii) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is US\$100,000,000 divided into 100,000,000,000 Shares of US\$0.001 each, of which 3,487,173,250 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the SGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become US\$100,000,000 divided into 20,000,000,000 Consolidated Shares of US\$0.005 each, of which 697,434,650 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the Share Consolidation becoming effective.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other.

Fractional entitlement to Consolidated Shares

Fractional shares, if any, arising from the Share Consolidation will not be allocated to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, which is expected to be on Monday, 1 August 2016, Shareholders may, during the period from Monday, 1 August 2016 to Tuesday, 6 September 2016 (both days inclusive) between 9:00 a.m. and 4:00 p.m. on any Business Day, submit share certificates for the existing Shares in yellow colour to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new certificates of the Consolidated Shares in green colour. Thereafter, each share certificate for the existing Shares (the "**Existing Share Certificate**") will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Consolidated Shares (the "**New Share Certificate**") or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, the Existing Shares Certificate will continue to be good evidence of legal title and may be exchanged for the New Share Certificate at any time but are not accepted for trading, settlement and registration upon completion of the Share Consolidation.

Board lot size

Currently, the existing Shares are traded on the Stock Exchange in the board lot size of 10,000 existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Consolidated Shares. Details of the odd lot trading arrangement will be stated in the circular to be despatched to the Shareholders which shall also contain, inter alia, details of the Share Consolidation.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the recent trading price of the Shares, the Board proposes to implement the Share Consolidation. The Share Consolidation will enable the Company to comply with the trading requirements under the Listing Rules.

Furthermore, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Consolidated Shares and will increase the nominal value of the Shares. Accordingly, the Directors are of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no concrete plan to conduct any equity fund raising activity. Nevertheless, the Company does not obviate the possibility of conducting equity fund raising activities in future to finance its business development and expansion as and when necessary.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is set out below:

Event	Time and date 2016
Expected date of despatch of the circular, notice and proxy form of the SGM	Wednesday, 6 July
Latest time for return of proxy form of the SGM (not less than 48 hours prior to time of the SGM)	11:00 a.m. on Wednesday, 27 July
SGM	11:00 a.m. on Friday, 29 July
Announcement of results of the SGM	Friday, 29 July
The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in the section headed "Conditions of the Share Consolidation" above.	
Effective date of the Share Consolidation	Monday, 1 August
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 1 August
Original counter for trading in Shares (in board lots of 10,000 Shares) temporarily closes	9:00 a.m. on Monday, 1 August
Temporary counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 1 August
First day for free exchange of existing share certificates for new share certificates for Consolidated Shares commences	Monday, 1 August

Original counter for trading in Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 15 August
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Monday, 15 August
Parallel trading in the Shares and Consolidated Shares (in the form of new and existing share certificates) begins	9:00 a.m. on Monday, 15 August
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Friday, 2 September
Temporary counter for trading in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Friday, 2 September
Parallel trading in the Shares and Consolidated Shares (in the form of new and existing certificates) ends	4:00 p.m. on Friday, 2 September
Last day for free exchange of existing certificates for new certificates for Consolidated Shares	Tuesday, 6 September

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “China New Energy Power Group Limited” to “Lamtex Holdings Limited” and the secondary name of the Company from “中國新能源動力集團有限公司” to “林達控股有限公司”.

Conditions of the Change of Company Name

The Change of Company Name is conditional upon:

- (i) the passing of a special resolution by the Shareholders at the SGM to approve the Change of Company Name; and
- (ii) the Registrar of Companies in the Bermuda approving the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date of entry of the new names of the Company (together with the secondary name) on the register maintained by the Registrar of Companies in Bermuda. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

Reason for the Change of Company Name

The Board considers that the proposed new names of the Company will provide the Company a new corporate image and identity of the Company. The Board is of the opinion that the Change of Company Name is in the interests of the Company and the Shareholders as a whole.

Effect for the Change of Company Name

The Change of Company Name will not affect any rights of the Shareholders. All share certificates of the Company then in issue (including the Existing Share Certificates and the New Share Certificates) bearing the present names of the Company shall, after the Change of Company Name becoming effective, continue to be evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. There will not be any arrangement for free exchange of the share certificates of the Company then in issue (including the Existing Share Certificates and the New Share Certificates). Once the Change of Company Name becomes effective, new share certificates will be issued in the new names of the Company.

The Company will make further announcement(s) regarding the effective date of the Change of Company Name, the change of the stock short names for trading in the Shares on the Stock Exchange and the change of the website and logo of the Company as and when appropriate.

GENERAL

The SGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the proposed Share Consolidation and the Change of Company Name.

A circular containing, among other things, further details about the Share Consolidation and the Change of Company Name and the notice convening the SGM, will be despatched to the Shareholders on or before 6 July 2016.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and Sunday) on which licensed banks are generally open for business more than five hours in Hong Kong
“Change of Company Name”	The Board proposes to change the English name of the Company from “China New Energy Power Group Limited” to “Lamtex Holdings Limited” and the secondary name of the Company from “中國新能源動力集團有限公司” to “林達控股有限公司”.
“Company”	China New Energy Power Group Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	Share(s) of par value of US\$0.005 each in the share capital of the Company upon completion of the Share Consolidation
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, to approve the proposed Share Consolidation and the Change of Company Name
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares of par value of US\$0.001 each into one (1) Consolidated Share of par value of US\$0.005 each

“Share(s)”	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of US\$0.001 each prior to the Share Consolidation
“Shareholder(s)”	holder(s) of Shares or Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars, the lawful currency of the United States of America
“%” or “per cent.”	percentage or per centum

By Order of the Board of
China New Energy Power Group Limited
Wu Xiaolin
Chief Executive Officer

Hong Kong, 24 June 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.