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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The board (the “Board”) of directors (the “Director(s)”) of China New Energy Power Group Limited (the “Company”) hereby announces the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2015 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2015

	Notes	2015 HK\$'000	2014 HK\$'000
Revenue	4	(177,804)	160,865
Other income	5	272	7,045
Administrative expenses		(50,424)	(17,208)
Share-based payments		–	(41,400)
Loss on disposal of subsidiaries	8	(8,661)	–
Fair value loss on investment properties	13	(20,560)	–
Net gain on derivative financial instruments		–	31,486
Impairment loss on consideration receivable for disposal of food processing and distribution operation in prior year		–	(6,608)
Finance costs	6	(128)	(5,041)
(Loss)/profit before tax		(257,305)	129,139
Income tax	9	2,742	(6,512)
(Loss)/profit for the year	10	(254,563)	122,627

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – continued

For The Year Ended 31 December 2015

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Attributable to:			
Owners of the Company		(251,343)	122,627
Non-controlling interests		(3,220)	–
		<u>(254,563)</u>	<u>122,627</u>
Other comprehensive income/(loss):			
<i>Item that may be reclassified to profit or loss:</i>			
Foreign currency translation reserve reclassified to profit or loss upon disposal of subsidiaries	8	2,280	–
Exchange differences on translating foreign operations		(1,640)	(2,174)
		<u>640</u>	<u>(2,174)</u>
Total comprehensive (loss)/income for the year attributable to owners of the Company		<u>(253,923)</u>	<u>120,453</u>
Attributable to:			
Owners of the Company		(251,942)	120,453
Non-controlling interests		(1,981)	–
		<u>(253,923)</u>	<u>120,453</u>
(Loss)/earnings per share (HK cents per share)	<i>12</i>		
<i>Basic</i>		<u>(8.12)</u>	<u>4.65</u>
<i>Diluted</i>		<u>(8.12)</u>	<u>3.31</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	<i>11</i>	15,993	12
Investment properties	<i>13</i>	64,456	88,459
Deposits for acquisition of property, plant and equipment		–	4,180
Deposits for investments in subsidiaries		19,004	–
		<hr/>	<hr/>
		99,453	92,651
		<hr/>	<hr/>
Current assets			
Deposits and prepayments		2,226	2,272
Financial assets at fair value through profit or loss	<i>14</i>	275,010	177,108
Bank and cash balances	<i>15</i>	50,832	339,320
		<hr/>	<hr/>
		328,068	518,700
		<hr/>	<hr/>
Current liabilities			
Other payables and accruals		909	3,455
Current tax liabilities		–	6,512
		<hr/>	<hr/>
		909	9,967
		<hr/>	<hr/>
Net current assets		327,159	508,733
		<hr/>	<hr/>
NET ASSETS		426,612	601,384
		<hr/>	<hr/>
Capital and reserves			
Share capital	<i>16</i>	25,696	22,650
Reserves		400,916	578,734
		<hr/>	<hr/>
TOTAL EQUITY		426,612	601,384
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For year ended 31 December 2015

1. GENERAL INFORMATION

China New Energy Power Group Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 204-205, 2/F., OfficePlus@Sheungwan, No. 93-103 Wing Lok Street, Sheung Wan, Hong Kong. The Company’s shares are listed on The Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The principal activities of the Company’s subsidiaries are securities trading and investment and property investment.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2015. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (“CODM”) in order to allocate resources to segments and to assess their performance. Reported segment information is based on internal management reporting information that is regularly reviewed by executive directors, being the CODM of the Group.

The Group’s operations are organised based on the two business activities which are also the information regularly reported to the CODM. The details of operating and reportable segments of the Group are as follows:

- Securities trading and investment – purchase and sale of securities and securities investment.
- Property investment – generation of rental income.

Segment revenue and results:

The following is an analysis of the Group's revenue and results by reportable segment:

	Securities trading and investment HK\$'000	Property investment HK\$'000	Total HK\$'000
<i>Year ended 31 December 2015</i>			
Segment revenue:			
Revenue from external customers	<u>(179,273)</u>	<u>1,469</u>	<u>(177,804)</u>
Segment loss	<u>(186,086)</u>	<u>(20,572)</u>	<u>(206,658)</u>
Unallocated corporate income			272
Unallocated corporate expenses			(50,791)
Finance costs			(128)
Loss before tax			<u>(257,305)</u>
	Securities trading and investment HK\$'000	Property investment HK\$'000	Total HK\$'000
<i>Year ended 31 December 2014</i>			
Segment revenue:			
Revenue from external customers	<u>160,865</u>	<u>–</u>	<u>160,865</u>
Segment profit/(loss)	<u>152,443</u>	<u>(334)</u>	152,109
Unallocated corporate income			6,953
Unallocated corporate expenses			(49,760)
Other gains			24,878
Finance costs			(5,041)
Profit before tax			<u>129,139</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents profit/(loss) from each segment without allocation of central administrative costs, share-based payments, directors' remuneration, finance costs, other income and other gains (excluding the fair value changes and gain/loss from financial assets at fair value through profit or loss, which is included in the securities trading and investment segment result). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Securities trading and investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>At 31 December 2015</i>			
Segment assets	<u>275,010</u>	<u>64,456</u>	339,466
Unallocated corporate assets			<u>88,055</u>
Consolidated total assets			<u>427,521</u>
Segment liabilities	<u>–</u>	<u>469</u>	469
Unallocated corporate liabilities			<u>440</u>
Consolidated total liabilities			<u>909</u>
	Securities trading and investment <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>At 31 December 2014</i>			
Segment assets	<u>177,108</u>	<u>88,459</u>	265,567
Unallocated corporate assets			<u>345,784</u>
Consolidated total assets			<u>611,351</u>
Segment liabilities	<u>6,512</u>	<u>2,639</u>	9,151
Unallocated corporate liabilities			<u>816</u>
Consolidated total liabilities			<u>9,967</u>

The Group's unallocated corporate assets at the end of the reporting period mainly consist of property, plant and equipment, deposits for investments in subsidiaries, deposit for acquisition of property, plant and equipment, deposits and prepayments and bank balances and cash. The Group's unallocated corporate liabilities at the end of the reporting period consist of other payables and accruals.

4. REVENUE

Revenue represents dividend income from financial assets at fair value through profit or loss, (loss)/gain on disposal of financial assets at fair value through profit or loss, net fair value change on financial assets at fair value through profit or loss and rental income.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Dividend income from financial assets at fair value through profit or loss	299	6,485
(Loss)/gain on disposal of financial assets at fair value through profit or loss	(6,462)	88,296
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(173,110)	66,084
Rental income	1,469	–
	<u>(177,804)</u>	<u>160,865</u>

5. OTHER INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest income	144	408
Imputed interest income on deferred consideration receivable	–	6,551
Others	128	86
	<u>272</u>	<u>7,045</u>

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest expenses on borrowings:		
– Bank borrowings	128	–
– Convertible notes	–	5,041
	<u>128</u>	<u>5,041</u>

7. ACQUISITION OF SUBSIDIARIES

In February 2015, China Luen Kin Company Limited (“China Luen Kin”), a 60% owned subsidiary of the Company, entered into an agreement with 深圳醇自然實業有限公司 (“深圳醇”), an independent third party to the Group (the “Acquisition Agreement”), pursuant to which, China Luen Kin has conditionally agreed to purchase or procure to purchase the entire equity interest in 深圳市東方日輝供應鏈有限公司 (“東方日輝”) at the aggregate of (i) the consideration of RMB2,600,000 (equivalent to approximately HK\$3,257,000) for the entire equity interest in 東方日輝 under the Acquisition Agreement and (ii) the consideration of RMB1,020,000 (equivalent to approximately HK\$1,268,000) to be paid as compensation under the supplement memorandum entered in February 2015 (the “Acquisition”).

The Acquisition was completed on 13 March 2015 and 東方日輝 is principally engaged in supply chain management business. The assets and liabilities at the date of acquisition were as follows:

	<i>HK\$'000</i>
Net identifiable assets of subsidiaries acquired:	
Cash and cash equivalents	347
Trade and other receivable	933
Other payables	(12)
	<hr/>
	1,268
Goodwill arising on acquisition	3,257
	<hr/>
Consideration transferred, satisfied by cash	4,525
	<hr/> <hr/>
Analysis of net outflow of cash and cash equivalents in respect of acquisition of subsidiaries:	
Cash consideration paid	(4,525)
Cash and cash equivalents acquired	347
	<hr/>
	(4,178)
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8. DISPOSAL OF SUBSIDIARIES

On 23 December 2015, in order to reserve more resources to focus on the Group's core securities trading and investment, and property investment businesses, the Group disposed of its entire equity interest in its subsidiary, Well Champion Asia Limited, and its subsidiaries (collectively referred to as "the Well Champion Group") to an independent third party at an aggregate cash consideration of HK\$1. The Well Champion Group was principally engaged in investment holding and supply chain management business. The assets and liabilities of the Well Champion Group at the date of the disposal were as follows:

	<i>HK\$'000</i>
<i>Net assets of subsidiaries disposed of:</i>	
Property, plant and equipment	1,030
Trade and other receivable	3,943
Cash and cash equivalents	35,920
Bank borrowings	(34,559)
Trade and other payable	(5,191)
	<hr/>
Net assets disposed of	1,143
Release of foreign currency translation reserve	2,280
Non-controlling interests	1,981
Goodwill written off	3,257
	<hr/>
Loss on disposal of subsidiaries	8,661
	<hr/> <hr/>
Analysis of net outflow of cash and cash equivalent in respect of disposal of subsidiaries:	
Cash and cash equivalents disposed of	(35,920)
	<hr/> <hr/>

9. INCOME TAX

2015
HK\$'000 2014
HK\$'000

Hong Kong Profits Tax:

– Over-provision in prior years/(provision) for the year 2,742 (6,512)

No Hong Kong Profits Tax has been provided for the year, as the Group incurred a loss for tax purpose. Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2014.

No provision for PRC Enterprise Income Tax made as the subsidiaries operating in the PRC have no assessable profits for both years.

10. (LOSS)/PROFIT FOR THE YEAR

The Group's (loss)/profit for the year is stated after charging/(crediting):

2015
HK\$'000 2014
HK\$'000

Depreciation of property, plant and equipment	643	55
Operating lease rentals in respect of land and buildings	6,145	1,670
Auditors' remuneration	650	720
Impairment loss on consideration receivables for disposal of food processing and distributions operation in prior years	–	6,608
Write-off of deposits for acquisition of property, plant and equipment	4,180	–
Loss on disposal of property, plant and equipment	12	–
Staff costs (including Directors' remuneration):		
Salaries, fees, bonuses and allowances	13,781	9,401
Share-based payments	–	41,400
Retirement benefits scheme contribution	294	183
	14,075	50,984
Imputed interest income on deferred consideration receivable	–	(6,551)
Net gain on derivative financial instruments	–	(31,486)
	–	(31,486)

11. PROPERTY, PLANT AND EQUIPMENT

	Land and building <i>HK'000</i>	Leasehold improvements <i>HK'000</i>	Furniture and fixtures <i>HK'000</i>	Motor vehicles <i>HK'000</i>	Total <i>HK'000</i>
COST:					
At 1 January 2014	–	638	385	231	1,254
Disposals	–	–	(50)	–	(50)
At 31 December 2014 and 1 January 2015	–	638	335	231	1,204
Additions	14,700	2,090	904	–	17,694
Disposals	–	(639)	(249)	(231)	(1,119)
Disposal of subsidiaries	–	(560)	(621)	–	(1,181)
Exchange differences	–	(19)	(1)	–	(20)
At 31 December 2015	14,700	1,510	368	–	16,578
ACCUMULATED DEPRECIATION:					
At 1 January 2014	–	638	364	185	1,187
Charge for the year	–	–	9	46	55
Exchange differences	–	–	(50)	–	(50)
At 31 December 2014 and 1 January 2015	–	638	323	231	1,192
Charge for the year	61	419	163	–	643
Eliminated on disposals	–	(638)	(228)	(231)	(1,097)
Disposal of subsidiaries	–	(64)	(87)	–	(151)
Exchange differences	–	(2)	–	–	(2)
At 31 December 2015	61	353	171	–	585
CARRYING AMOUNTS:					
31 December 2015	<u>14,639</u>	<u>1,157</u>	<u>197</u>	<u>–</u>	<u>15,993</u>
31 December 2014	<u>–</u>	<u>–</u>	<u>12</u>	<u>–</u>	<u>12</u>

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	2015	2014
	HK\$'000	HK\$'000
(Loss)/earnings:		
(Loss)/earnings for the purpose of basic (loss)/earnings per share	(251,343)	122,627
Effect of dilutive potential ordinary shares:		
– Interest on convertible notes	–	5,041
– Net gain on derivative financial instruments	–	(31,486)
(Loss)/earnings for the purpose of diluted (loss)/earnings per share	<u>(251,343)</u>	<u>96,182</u>
Number of shares:		
	2015	2014
Weighted average number of ordinary shares for purpose of calculation of basic (loss)/earnings per share	3,095,487,497	2,639,552,702
Effect of dilutive potential ordinary shares		
– Convertible loans	–	266,340,466
– Share options (note)	–	57,299
Weighted average number of ordinary shares for the purpose of calculation of diluted (loss)/earnings per share	<u>3,095,487,497</u>	<u>2,905,950,467</u>

(Note)

The computation of diluted loss per share for the year ended 31 December 2015 does not assume the exercise of the Company's share options as the exercise of the Company's share options would result in a decrease in loss per share.

13. INVESTMENT PROPERTIES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At beginning of the reporting period	88,459	90,571
Change in fair value	(20,560)	–
Exchange differences	(3,443)	(2,112)
At 31 December	<u>64,456</u>	<u>88,459</u>

- (a) All of the Group's investment properties were held to earn rentals or for capital appreciation purposes and were measured using the fair value model.
- (b) Investment properties were revalued at the end of the reporting period on the open market value basis by reference to market evidence of recent transactions for similar properties by an independent professional valuer, Roma Appraisals Limited (2014: LCH (Asia-Pacific) Surveyors Limited).

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial asset at fair value through profit or loss represent equity securities listed in Hong Kong. Fair values are determined with reference to quoted market bid prices.

15. BANK AND CASH BALANCES

Bank and cash balances comprise cash and short-term bank deposits with original maturity of three months or less, and carry interest ranging from 0.01% to 0.8% (2014: 0.01% to 0.8%) per annum.

At the end of the reporting period, the Group had bank and cash balances that were in RMB, which is not freely convertible into other currencies or were subject to exchange controls in the PRC amounting to approximately HK\$2,575,000 (2014: HK\$5,061,000).

The carrying amounts of the Group's other bank and cash balances are mainly denominated in Hong Kong dollars.

16. SHARE CAPITAL

	Number of ordinary shares US\$0.001 each (‘000)	<i>US\$’000</i>	<i>HK\$’000</i>
Authorised:			
At 31 December 2015 and 2014	100,000,000	100,000	775,000
Issued and fully paid:			
At 1 January 2014	1,906,073	1,906	14,895
Issue of shares upon conversion of convertible notes	1,000,000	1,000	7,755
At 31 December 2014 and 1 January 2015	2,906,073	2,906	22,650
Issue of shares on placement (note)	390,600	391	3,046
At 31 December 2015	3,296,673	3,297	25,696

Note: Completion of the share placement took place on 8 July 2015 pursuant to which 390,600,000 placement shares were issued under the placement agreement at the placement price of HK\$0.201 per placement share. Accordingly, the Company’s issued share capital was increased by approximately HK\$3,046,000 and its share premium account was increased by approximately HK\$74,124,000. Net proceeds from the issues after deduction of expenses of approximately HK\$1,341,000, were approximately HK\$77,170,000.

Capital Risk Management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue of new shares, shares buy-back, raising new debts, redemption of existing debts or assets disposal to reduce debts.

17. OPERATING LEASE COMMITMENTS

Leases for office premises are negotiated for terms ranging from 1 to 2 years. At the end of the reporting period, the Group's total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	855	2,701
In the second to fifth years, inclusive	259	3,709
	<u>1,114</u>	<u>6,410</u>

18. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contracted but not provided for:		
– Unpaid contribution for investments in subsidiaries	18,086	–
	<u>18,086</u>	<u>–</u>

19. EVENTS AFTER THE REPORTING PERIOD

The Group has the following events subsequent to the end of the reporting period.

- (a) Completion of the share placement took place on 1 February 2016 pursuant to which 190,500,000 placement shares, with nominal value of US\$0.001 each, were issued under the placement agreement at the placement price of HK\$0.11 per placement share.
- (b) On 21 September 2015, the Group entered into an acquisition agreement with SZ Enterprise Union Financial Group Limited (the "Vendor"), pursuant to which the Group agrees to purchase and the Vendor agrees to sell the entire issued share capital of Lamtex Securities Limited ("Lamtex"), a company incorporated in Hong Kong, being a wholly-owned subsidiary of the Vendor at a cash consideration of approximately HK\$16,000,000. The Company is principally engaged in the provision of type one regulated activities under the Securities and Future Ordinance. Subsequent to end of the reporting period, the transaction was completed on 11 March 2016. Because the acquisition of Lamtex was completed shortly before the date of approval of these financial statements, it is not practicable to disclose further financial details about the acquisition.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The Directors consider that the new reclassification of the accounting items is more appropriate presentation to reflect the principal activities and financial results of the Group.

FUND RAISING ACTIVITIES

In order to increase our capital to capture the business opportunities, the Company has completed July 2015 Placement and February 2016 Placement. The major part of the net proceeds from the fund raising activities are used in enhancing the Group's general working capital and developing existing and new business needs.

July 2015 Placement

On 8 July 2015, the Company completed the placing of 390,600,000 new shares of the Company ("Shares") pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 17 June 2015 at a placing price of HK\$0.201 each. The Company intended to apply a majority of the net proceeds from the placing to enhance its general working capital base; to develop its existing businesses and prepare itself to take up investment opportunities in the future with readily available funds, which is in the interests of the Group and the shareholders of the Company as a whole.

February 2016 Placement

Reference is made to the announcements of China New Energy Power Group Limited dated 8 and 26 January 2016 in relation to the Placing of up to 190,614,650 new Shares under the General Mandate. Capitalised terms used in this announcement shall have the same meanings as those defined in the announcements unless otherwise stated.

On 1 February 2016, the Company completed the placing of 190,500,000 new shares of the Company pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 17 June 2015 at a placing price of HK\$0.11 each.

The net proceeds of the Placing are intended to be used as general working capital for existing business and for development of new business if opportunities arise.

USE OF PROCEEDS

The Company has conducted the following equity fund raising activities during the year ended 31 December 2015 and subsequent to end of the reporting period up to the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
8 July 2015	Placing of 390,600,000 new Shares at HK\$0.201 per Share	Approximately HK\$77 million	General working capital of the Group, in particular, (i) approximately HK\$60 million be applied for the Group's segment of "Property – property investment"; and (ii) approximately HK\$17 million be applied for the Group's overall operating expenses.	(i) Approximately HK\$10.2 million was used as deposit for acquisition of interest in land located in China, approximately HK\$14.7 million was used for acquisition of an investment property located in Hong Kong; (ii) approximately HK\$16.1 million was applied as operating expenses of the Group; and (iii) the remaining balance of approximately HK\$36 million was not yet utilized.
1 February 2016	Placing of 190,500,000 new Shares at HK\$0.11 per Share	Approximately HK\$20 million	General working capital for existing business and development of new business.	Proceeds utilised as intended.

DIVIDEND

The Board does not recommend payment of a final dividend for the year ended 31 December 2015 (2014: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

This represented (loss)/gain on disposal of financial assets at fair value through profit or loss, net fair value change on financial assets at fair value through profit or loss, dividend income from financial assets at fair value through profit or loss and rental income.

Segmental Results

During the reporting year, securities trading and investment and property investment remain the continuing business operations of the Group.

Property investment business

Approximately HK\$1.47 million was generated from the operation of property investment business for the reporting year (2014: nil) and its segmental result suffered a loss of approximately HK\$20.57 million (2014: a loss of approximately HK\$0.33 million).

Securities trading and investment business

The negative revenue (2014: revenue) generated from the operation in securities trading and investment for the reporting year was approximately HK\$179.27 million (2014: revenue of approximately HK\$160.87 million) and its segmental result reflected a loss of approximately HK\$186.09 million (2014: a profit of approximately HK\$152.44 million).

Other Income

The Group's other income for the reporting year decreased to approximately HK\$0.27 million from approximately HK\$7.05 million in year 2014. Such decrease was mainly due to the absence of imputed interest income on deferred consideration receivable.

Administrative Expenses

The Group's administrative expenses for the reporting year increased to approximately HK\$50.42 million from approximately HK\$17.21 million in the year 2014. Such increase was mainly due to the write-off of deposit paid for acquisition of fixed assets, legal and professional fees increase in relation to a series of corporate transactions during the year and the significant rental increment due to office relocation. In addition, administrative expense incurred by the other parts of the Group were also substantially increased when compared with those incurred in 2014.

Share-based Payments

No share-based payments of the Group for the reporting year (2014: HK\$41.40 million).

Finance Costs

The Group's finance costs for the reporting year was decreased to approximately HK\$0.13 million from approximately HK\$5.04 million in 2014. The decrease was due to the fact that all outstanding convertible notes were fully converted into ordinary shares of the Company in April 2014 and as such, no finance costs on those convertible notes was incurred thereafter.

Loss for the Year and Earnings Per Share

The Group's loss attributable to owners of the Company for the reporting year was approximately HK\$251.34 million (2014: a profit of approximately HK\$122.63 million). Such change was mainly due to the change in the fair value of the derivative financial instruments, the loss (2014: gain) on disposal and fair value change of held-for-trading investments. Basic loss per share of the Group was approximately HK8.12 cents per share for the year ended 31 December 2015 (2014: approximately HK4.65 cents earnings per share).

BUSINESS REVIEW

During the year, the businesses and operations of the Group were mainly on securities trading and investment and property investment.

The Group's consolidated net loss for the year was approximately HK\$254.56 million (2014: net profit of approximately HK\$122.63 million). The consolidated net assets of the Group decreased from approximately HK\$601.38 million as at 31 December 2014 to approximately HK\$426.61 million as at 31 December 2015. The consolidated net loss was mainly attributable to (i) net realised losses and net unrealised losses of investments at fair value through profit or loss of approximately HK\$6.46 million and approximately HK\$173.11 million respectively; (ii) a decrease in dividend income from investments in securities of approximately HK\$6.18 million; (iii) loss on disposal of subsidiaries of approximately HK\$8.66 million; (iv) the fair value loss on the investment properties of approximately HK\$20.56 million and (v) the increase in administrative expenses of approximately HK\$33.2 million.

In January 2015, the Board announced that the Group intended to develop new business of (i) environmental protection and renewable energy, including provision of environmental protection services, developing new renewable energy; and (ii) supply chain management of various products. Subsequently in February 2015, the Group commenced its operation of supply chain management business. In view of the unsatisfactory performance of the Group's supply chain management business, the Group discontinued such business in end of 2015. In addition, the Board has no intention to develop the new business of environmental protection and renewable energy as the Board has not yet formed any feasible development plan or identified any feasible targets.

During the year under review, the Group disposed of its entire equity interest in its subsidiary Well Champion Asia Limited and its subsidiaries (collectively referred to as "the Well Champion Group") to an independent third party at an aggregate cash consideration of HK\$1.00 in the second half of 2015. The Well Champion Group was previously engaged mainly on Supply Chain management business. The reason for disposal was mainly due to continuous loss situation and insufficient orders intake.

In July 2015, the Company also completed a placement of 390,600,000 new shares with value of HK\$0.201 each. The July Placement was referred to the announcement dated 17 June 2015 under the General Mandate. After the completion of the 2015 July Placement, the issued share capital of the Company has been further enlarged to 3,296,673,250 shares in total.

In September 2015, the Group entered into a conditional sale and purchase agreement with SZ Enterprise Union Financial Group Limited (深企聯合金融集團有限公司), a company incorporated in Hong Kong with limited liability, pursuant to which the Group agreed to purchase the entire issued share capital of its wholly-owned subsidiary, Lamtex Securities Limited, a company incorporated in Hong Kong which is a licensed corporation carrying out business in Type 1 (dealing in securities) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and incorporated in Hong Kong with limited liability, at a consideration of HK\$16 million (the "Acquisition"). The Acquisition was completed in March 2016.

Property investment business

The segmental loss of approximately HK\$20.57 million was mainly due to the fair value loss on the investment properties.

Securities trading and investment business

During the reporting year, a negative revenue of approximately HK\$179.27 million was recorded from the operation of investments in securities (2014: a revenue of approximately HK\$160.87 million). This represented net fair value loss on financial assets at fair value through profit and loss, loss on disposal of financial assets at fair value through profit or loss and dividend income received from held-for-trading securities during the reporting year. The segmental loss of approximately HK\$186.09 million was mainly due to the loss on fair value changes and disposal of financial assets at fair value through profit or loss.

FUTURE PLANS AND PROSPECTS

The Group will continue focus its efforts to the development of its existing principal businesses (1) investment properties and (2) securities trading and investment and other potential projects with a view to providing steady returns as well as fruitful growth for its shareholders.

In addition, the Group will further extend its principal business and direct its resources to the newly acquired and setup businesses in securities and money lending. In securities segment, the acquisition of Lamtex Securities Limited is completed in March 2016 and in the money lending segment, the licence is granted to New Winning Finance Co. Ltd in March 2016. It is expected that such new business will diversify the income stream of the Group and is in the interests of the Company and its shareholders as a whole.

Meanwhile, we will also maintain a stringent financial policy and a prudent cash flow management to ensure reasonable liquidity for the Group's operations as well as for its existing and future investments.

We believe that, in such a volatile economic environment, these operation strategies will enable the Group to maintain its competitiveness and mitigate risks, thereby ensuring the Group's sustainable growth.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2015, the Group's bank balances and cash was approximately HK\$50.83 million (2014: approximately HK\$339.32 million), representing a decrease of 85%. There was no bank and other borrowings as at 31 December 2014 and 2015.

As at 31 December 2015, the current ratio (current assets/current liabilities) was 360.91 times (2014: 52.04 times) and the net current assets amounted to approximately HK\$327.16 million (2014: approximately HK\$508.73 million).

SHARE OPTION

A share option scheme (the "Share Option Scheme") was adopted on 25 May 2012, whereby the Board may, at its absolute discretion, grant options to any eligible participants including directors and employees of the Group to subscribe for shares in the Company. On 23 December 2014, the Company has granted share options under the Share Option Scheme to certain eligible grantees (the "Grantees"), which enable the Grantees to subscribe for an aggregate of 190,550,000 ordinary shares of the Company of USD0.001 each in the share capital of the Company at an exercise price of HK\$0.405 per share. During the year, 190,550,000 share options lapsed and no share options were granted. And there was no outstanding share options as at 31 December 2015.

CAPITAL STRUCTURE

During the year, the placement exercise in July increased the number of issued shares by 390,600,000. As at 31 December 2015, the number of the Company's issued shares was 3,296,673,250 shares.

As at 31 December 2015, the Group had no outstanding convertible notes, bank and other borrowings (31 December 2014: Nil), which resulted in zero gearing ratio (31 December 2014: Nil) calculated on the basis of total debts and total assets of the Group. As at 31 December 2015, total assets of the Group amounted to approximately HK\$427.52 million (31 December 2014: approximately HK\$611.35 million).

MATERIAL CONTINGENT LIABILITIES

The Group is not aware of any material contingent liabilities as at 31 December 2015.

PLEDGE OF ASSETS

At the end of the reporting year, the Group had not pledged any assets (2014: Nil).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

There has been no significant change in the Group's policy in terms of exchange rate exposure. The Group operates mainly in Hong Kong and the PRC. Most of the transactions are denominated in Hong Kong dollars ("HK\$") and Renminbi ("RMB"). Hence, the Group neither anticipates any significant exchange risk exposure nor has a foreign currency hedging policy. However, management of the Group will monitor foreign exposure closely and consider the use of hedging instruments when necessary.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 December 2015, the Group had approximately 18 full time management, administrative and operation staff in the PRC and Hong Kong.

The Group provides competitive remuneration packages with attractive discretionary bonus to employees. The Group regularly reviews its remuneration packages in light of the overall development of the Group as well as the market conditions. In addition, the Group has adopted a share option scheme for eligible employees (including directors) to provide incentives to those with outstanding performance and contribution to the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND LISTING RULES

During the year, the Company has complied with the Corporate Governance Code (the “Code”) as contained in Appendix 14 of the Listing Rules, except for deviations from Code Provision A.6.7. Code Provision A.6.7 stipulates that independent non-executive directors and other non-executive directors should attend general meeting. Due to other important business engagements at the relevant time, not all independent non-executive director and non-executive director attended the annual general meeting held on 26 March 2015. Mr. Tse Long and Mr. Zeng Zhaolin did not attend the general meeting held on 31 October 2015.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors have confirmed that they have complied with the provisions of the Model Code during the year ended 31 December 2015.

AUDIT COMMITTEE

The audit committee comprises three INEDs, namely Dr. LOKE Yu alias Loke Hoi Lam, Mr. TSE Long and Mr. ZENG Zhaolin. It is principally responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing with management the internal control, systems of risk management, auditing and financial reporting matters of the Group. The audit committee has reviewed the audited annual results of the Group for the year ended 31 December 2015.

EVENT AFTER THE REPORTING PERIOD

The February 2016 Placement of 190,500,000 new shares of the Company at a placing price of HK\$0.11 per share was completed on 1 February 2016. The net proceeds from February 2016 Placement is approximately HK\$20 million.

The Acquisition of Lamtex Securities Limited was completed on 11 March 2016.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group’s auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2015. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company, nor any of its subsidiaries had purchased, sold, or redeemed any of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2015.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.cnepgl.com. The 2015 Annual Report will be despatched to our shareholders and published on the aforesaid websites in due course.

APPRECIATION

On behalf of the Board, my sincere thank to our loyal shareholders, suppliers and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to our management and all staff for their hard work and dedication throughout the year.

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

Hong Kong, 30 March 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu Xiaolin, Mr. Wen Wenfeng, Mr. Shi Liangsheng; two non-executive Director, 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, Mr. Zeng Zhaolin.