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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China New Energy Power Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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)

**(I) PROPOSED SHARE CONSOLIDATION;
(II) PROPOSED CHANGE OF COMPANY NAME;
AND
(III) NOTICE OF SGM**

Financial adviser to the Company



Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 5 to 10 of this circular. A notice convening the SGM to be held at 2/F, 100QRC, 100 Queen's Road Central, Central, Hong Kong on Friday, 29 July 2016 at 11:00 a.m. is set out on pages 11 to 12 of this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjourned meeting thereof should you so wish.

This circular will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.cnepgl.com> for at least seven days from the date of its posting.

6 July 2016

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Announcement”	the announcements of the Company dated 24 June 2016 in relation to the proposed Share Consolidation and the proposed Change of Company Name
“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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	4 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“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

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

EXPECTED TIMETABLE

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

Event	Time and date <i>2016</i>
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”.

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

EXPECTED TIMETABLE

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 circular 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.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. WU Xiaolin (*Chief Executive Officer*)
Mr. SHI Liangsheng
Mr. WEN Wenfeng

Non-executive Directors:

Mr. LUNG Chee Ming George
Mr. YU Shaoheng

Independent non-executive Directors:

Dr. LOKE Yu alias Loke Hoi Lam
Mr. TSE Long
Mr. ZENG Zhaolin

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and Principal place of
business in Hong Kong:*

Room 204-205, 2/F.
OfficePlus @Sheung Wan
No.93-103 Wing Lok Street
Sheung Wan
Hong Kong

6 July 2016

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

Reference is made to the Announcement of the Company dated 24 June 2016 in relation to the proposed Share Consolidation and the proposed Change of Company Name.

The purpose of this circular is to provide the Shareholders, among other things, details of the Share Consolidation, Change of Company Name and the notice of SGM.

LETTER FROM THE BOARD

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.

Listing Application

An application has been 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.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the existing Shares are listed or dealt in any stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or proposed to be sought.

Effect of the Share Consolidation

As at the Latest Practicable Date, 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 Latest Practicable Date 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

LETTER FROM THE BOARD

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 share 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 has appointed One China Securities Limited to stand in the market to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares from 9:00 a.m. on Monday, 15 August 2016 to 4:00 p.m. on Friday, 2 September 2016 (both days inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the

LETTER FROM THE BOARD

Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Mr. Marco Ko of One China Securities Limited at 2/F., Cheong K. Building, 86 Des Voeux Road, Central, Hong Kong at telephone number (852) 3188 2676 during office hours.

Holders of odd lots of the Consolidated Shares should note that matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

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 Latest Practicable Date, the Company has no intention, concrete plan or negotiation with other parties to conduct any equity fund raising activity.

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.

LETTER FROM THE BOARD

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 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. 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.

SGM

A notice convening the SGM is set out on pages 11 to 12 of this circular. The SGM will be convened at 2/F, 100QRC, 100 Queen's Road Central, Central, Hong Kong on Friday, 29 July 2016 at 11:00 a.m. for the purpose of considering, and if thought fit, the passing of the ordinary resolution approving the proposed Share Consolidation and the special resolution approving the proposed Change of Company Name.

In compliance with the Listing Rules, the resolutions will be voted by way of poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting at the SGM on the resolutions in relation to the Share Consolidation and Change of Company Name.

A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy to the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the proxy form shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so desire.

LETTER FROM THE BOARD

COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined in the Listing Rules) had any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interest with the Group.

RECOMMENDATION

The Directors are in the opinion that the proposed Share Consolidation and proposed Change of Company Name are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the proposed Share Consolidation and the proposed Change of Company Name.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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



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 of China New Energy Power Group Limited will be held at 2/F, 100QRC, 100 Queen's Road Central, Central, Hong Kong on Friday, 29 July 2016 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing (with or without amendment) the following resolutions of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 6 July 2016):

ORDINARY RESOLUTION

1. **“THAT** subject to and condition upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the Consolidated Shares in issue and any new Consolidated Shares, with effect from the business day immediately following the business date on which this resolution is passed, every five (5) issued and unissued Shares of par value of US\$0.001 consolidated into one (1) Consolidated Share of par value of US\$0.005 each and the Directors be authorised to issue new share certificates in respect of the Consolidated Shares to holders of the existing Shares pursuant to the Share Consolidation and to do all things and execute all documents in connection with or incidental to the Share Consolidation.

SPECIAL RESOLUTION

2. **“THAT** subject to and conditional upon the necessary approval of the Registrar of Companies in the Bermuda, the English name of the Company be changed from “China New Energy Power Group Limited” to “Lamtex Holdings Limited” and the secondary name of the Company be changed from “中國新能源動力集團有限公司” to “林達控股有限公司”, and the Directors be authorised to implement and

NOTICE OF SGM

give effect to the Change of Company Name and to do all things and execute all documents in connection with or incidental to the Change of Company Name.”

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

Hong Kong, 6 July 2016

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

Room 204-205, 2/F.
OfficePlus @Sheung Wan
No.93-103 Wing Lok Street
Sheung Wan
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, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, 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.
5. As at the date of this notice, 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.