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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)

ENTERING INTO SERVICE AGREEMENT WITH DIRECTOR

Reference is made to the announcement of China New Energy Power Group Limited (the “**Company**”) dated 28 March 2011 in relation to, inter alia, the appointment of Mr. Chen Guang Lin (“**Mr. Chen**”) as an executive director of the Company.

The board (the “**Board**”) of directors of the Company wishes to announce that the Company has entered into a service agreement (the “**Service Agreement**”) with Mr. Chen on 19 December 2011. The Service Agreement is for a term of 3 years commencing from 1 December 2011. Mr. Chen’s directorship with the Company is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Chen will be entitled to an annual director’s fee of HK\$360,000, which was determined with reference to his experience, qualifications, duties and responsibilities in the Company as well as the prevailing market conditions, plus discretionary bonus, which will be determined by the Board according to his work performance. Upon employment under the Service Agreement for a full year, Mr. Chen will also be entitled to a fixed year-end bonus in an amount equivalent to his one month director’s fee.

By Order of the Board
China New Energy Power Group Limited
Zhang Xi
Joint Chairman

Hong Kong, 19 December 2011

As at the date of this announcement, the executive directors of the Company are Mr. Zhang Xi, Mr. Ip Cheng Kuong, Ms. Catherine Chen, Mr. Chiu Kong, Mr. Yeung Kwok Yu, Mr. Fei Phillip, Mr. Yeung Tsoi San, Mr. Kwan Kam Hung, Jimmy, Mr. Wah Wang Kei, Jackie and Mr. Chen Guang Lin; and the independent non-executive directors of the Company are Ms. Ma Yin Fan, Mr. Leung Hoi Ying and Mr. Yu Pan.