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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)

ESTIMATE OF RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

This announcement is made by China New Energy Power Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company hereby inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, in accordance with a preliminary assessment of the unaudited management accounts of the Group for the six months ended 30 June 2012, the Group is expected to record a substantial improvement in its results for the six months ended 30 June 2012 as compared to the corresponding period in 2011. The expected improvement in results was mainly driven by the gain in fair values on derivative financial instruments and that the deteriorated timber business was no longer consolidated into the consolidated financial statements of the Group following its disposal in December 2011.

As the Company is still in the process of preparing and finalizing the consolidated accounts of the Group for the six months ended 30 June 2012, the information contained in this announcement is only based on the preliminary assessment by the Board according to the unaudited management accounts of the Group which has not been confirmed nor audited by the Company’s auditor. Detailed financial information of the Group for the six months ended 30 June 2012 will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

China New Energy Power Group Limited

Yeung Kwok Yu

Executive Director

Hong Kong, 15 August 2012

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