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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 2014

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 2014 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 2014

	Notes	2014 HK\$'000	2013 HK\$'000
Turnover	3	6,485	250
Other income	4	7,045	4,581
Other gains and losses	5	179,258	60,133
Administrative expenses		(17,208)	(28,749)
Share-based payments		(41,400)	–
Finance costs	6	(5,041)	(15,936)
Profit before taxation		129,139	20,279
Taxation	7	(6,512)	–
Profit for the year	8	122,627	20,279
Profit (loss) for the year attributable to:			
Owners of the Company		122,627	24,416
Non-controlling interests		–	(4,137)
		122,627	20,279
EARNINGS PER SHARE	9		
– Basic		HK4.65 cents	HK1.28 cents
– Diluted		HK3.64 cents	HK1.28 cents

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

For The Year Ended 31 December 2014

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit for the year	122,627	20,279
Other comprehensive income (expense) <i>Items that will not be subsequently reclassified to profit or loss</i>		
Exchange differences arising on translation to presentation currency	<u>(2,218)</u>	<u>5,407</u>
Total comprehensive income for the year	<u>120,409</u>	<u>25,686</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	120,409	28,134
Non-controlling interests	<u>–</u>	<u>(2,448)</u>
	<u>120,409</u>	<u>25,686</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	<i>Note</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		12	67
Investment properties		88,459	90,571
Other receivables		–	94,702
Deposits for acquisition of property, plant and equipment		4,180	–
		<u>92,651</u>	<u>185,340</u>
Current assets			
Deposits and prepayments		2,272	889
Other receivables		–	205,404
Held-for-trading investments		177,108	41,486
Bank balances and cash		339,320	37,016
		<u>518,700</u>	<u>284,795</u>
Current liabilities			
Other payables	10	3,455	4,159
Tax payable		6,512	–
		<u>9,967</u>	<u>4,159</u>
Net current assets		<u>508,733</u>	<u>280,636</u>
Total assets less current liabilities		601,384	465,976
Non-current liability			
Convertible notes		–	178,972
		<u>601,384</u>	<u>287,004</u>
Capital and reserves			
Share capital		22,650	14,895
Reserves		578,734	272,109
		<u>601,384</u>	<u>287,004</u>

NOTES

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As at 31 December 2014 and 31 December 2013, the Company did not have an immediate and an ultimate holding company.

The Company acts as an investment holding company. The principal activities of its subsidiaries are investment in securities and property investment business.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

3. TURNOVER AND 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 also the information regularly reported to the CODM. The details of operating and reportable segments of the Group are as follows:

- Investments in securities – trading of securities; and
- Property – property investment.

Turnover from investment in securities business represents dividend income from held-for-trading investments.

(a) **Segment turnover and results**

The following is an analysis of the Group's turnover and results by reportable and operating segment.

For the year ended 31 December 2014

	Investment in securities	Property	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER			
External revenue	6,485	–	6,485
RESULT			
Segment result	152,443	(334)	152,109
Unallocated corporate income			6,953
Unallocated corporate expenses			(49,760)
Other gains and losses			24,878
Finance costs			(5,041)
Profit before taxation			129,139

For the year ended 31 December 2013

	Investment in securities	Property	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER			
External revenue	250	–	250
RESULT			
Segment result	16,784	(10,516)	6,268
Unallocated corporate income			4,496
Unallocated corporate expenses			(18,117)
Other gains and losses			43,568
Finance costs			(15,936)
Profit before taxation			20,279

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 or losses (excluding the fair value changes and gain/loss from held-for-trading investments, which is included in the investment in securities segment result). This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

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

At 31 December 2014

	<u>Investment in securities</u> <i>HK\$'000</i>	<u>Property</u> <i>HK\$'000</i>	<u>Consolidated</u> <i>HK\$'000</i>
ASSETS			
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>
LIABILITIES			
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>

At 31 December 2013

	<u>Investment in securities</u> <i>HK\$'000</i>	<u>Property</u> <i>HK\$'000</i>	<u>Consolidated</u> <i>HK\$'000</i>
ASSETS			
Segment assets	<u>41,486</u>	<u>90,571</u>	132,057
Unallocated corporate assets			<u>338,078</u>
Consolidated total assets			<u>470,135</u>
LIABILITIES			
Segment liabilities	<u>–</u>	<u>2,636</u>	2,636
Unallocated corporate liabilities			<u>180,495</u>
Consolidated total liabilities			<u>183,131</u>

The Group's unallocated corporate assets at the end of the reporting period mainly consist of bank balances and cash, other receivables and deposits and prepayments. The Group's unallocated corporate liabilities at the end of the reporting period mainly consist of convertible notes and certain other creditors and accrued expenses.

(c) **Other segment information**

For the year ended 31 December 2014

	Investment in securities	Property	Unallocated	Consolidated
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Information included in segment results/segment assets:				
Depreciation of property, plant and equipment	–	–	55	55
Gain on disposal of held-for-trading investments	88,296	–	–	88,296
Net fair value gain on held-for-trading investments	<u>66,084</u>	<u>–</u>	<u>–</u>	<u>66,084</u>

For the year ended 31 December 2013

	Investment in securities	Property	Unallocated	Consolidated
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Information included in segment results/segment assets:				
Addition to investment properties	–	870	–	870
Additions to property, plant and equipment	–	–	505	505
Depreciation of property, plant and equipment	–	–	761	761
Gain on disposal of held-for-trading investments	69	–	–	69
Net fair value gain on held-for-trading investments	<u>16,496</u>	<u>–</u>	<u>–</u>	<u>16,496</u>

Substantially all of the Group's operations are located in the People's Republic of China ("PRC") (country of domicile) and Hong Kong.

All the Group's non-current assets are located in Hong Kong except for the investment properties which are located in the PRC (place of domicile of the group entities that hold such assets).

Included in the Group's turnover were dividend income generated from investment in securities and were derived from Hong Kong.

4. OTHER INCOME

	<u>2014</u>	<u>2013</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Interest income	408	666
Imputed interest income on deferred consideration receivables	6,551	3,912
Others	<u>86</u>	<u>3</u>
	<u>7,045</u>	<u>4,581</u>

5. OTHER GAINS AND LOSSES

	<u>2014</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain (loss) on derivative financial instruments	31,486	(28,342)
Gain on disposal of subsidiaries	–	66,452
Gain on disposal of held-for-trading investments	88,296	69
Net fair value gain on held-for-trading investments	66,084	16,496
Impairment loss on consideration receivable for disposal of food processing and distribution operation in prior years	(6,608)	–
Write back of other payables (<i>note</i>)	–	5,458
	<u>179,258</u>	<u>60,133</u>

Note: According to the deed of settlement entered into among the Company and its creditors, the payment made by the Group in 2012 in relation to certain debts owed by a subsidiary to the creditors should be the full and final settlement of all claims and demands and the creditors shall release and discharge the Group from any and all liability howsoever arising thereunder. As such, the Group wrote back the debts remain due and owing to the creditors in the prior year.

6. FINANCE COSTS

	<u>2014</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Effective interest expense on convertible notes wholly repayable within five years	<u>5,041</u>	<u>15,936</u>

7. TAXATION

	<u>2014</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
The taxation charge comprises:		
Hong Kong Profits Tax	<u>6,512</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for current year. No provision for Hong Kong Profits Tax is made for the prior year as the Company and its subsidiaries incorporated in Hong Kong have no assessable profits.

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

8. PROFIT FOR THE YEAR

	<u>2014</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Directors', managing director's and chief executive officer's remuneration		
– Fees	2,836	2,818
– Salaries and other benefits	1,328	1,350
– Bonus	100	2,520
– Share-based payments	1,300	–
– Other emoluments	72	75
	<u>5,636</u>	<u>6,763</u>
Employees' salaries and benefits expenses	5,137	4,494
Retirement benefits scheme contributions for staff other than directors	111	120
Share-based payments to an employee	1,300	–
	<u>12,184</u>	<u>11,377</u>
Total staff costs		
Auditor's remuneration	720	900
Depreciation of property, plant and equipment	55	761
Share-based payments to consultants	38,800	–
Written-off of property, plant and equipment	–	41
Minimum lease payments under operating leases in respect of rented premises	1,670	2,123
	<u><u>122,627</u></u>	<u><u>24,416</u></u>

9. EARNINGS PER SHARE

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

	<u>2014</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<u>Earnings:</u>		
Earnings for the purpose of basic earnings per share	122,627	24,416
Effect of dilutive potential ordinary shares:		
– Interest on convertible notes	5,041	–
– Net gain on derivative financial instruments	(31,486)	–
	<u>96,182</u>	<u>24,416</u>
Earnings for the purpose of diluted earnings per share		
	<u><u>96,182</u></u>	<u><u>24,416</u></u>

<u>Number of shares:</u>	<u>2014</u>	<u>2013</u>
Weighted average number of ordinary shares for purposes of calculation of basic earnings per share	2,639,552,702	1,906,073,250
Effect of dilutive potential ordinary shares – Share options	<u>57,299</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share	<u>2,639,610,001</u>	<u>1,906,073,250</u>

The computation of diluted earnings per share for the year ended 31 December 2013 does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in an increase in earnings per share.

10. OTHER PAYABLES

	<u>2014</u>	<u>2013</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accrued expenses	3,455	4,090
Other payables	<u>–</u>	<u>69</u>
	<u>3,455</u>	<u>4,159</u>

DIVIDEND

The Board does not recommend payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

CLOSURE OF REGISTER OF MEMBERS

To ascertain shareholders' eligibility to attend and vote at the annual general meeting of the Company to be held on Thursday, 26 March 2015 ("AGM"), the register of members will be closed from Tuesday, 24 March 2015 to Thursday, 26 March 2015, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 20 March 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2014, the Group's revenue was approximately HK\$6.49 million (2013: approximately HK\$0.25 million). This represented dividend received from held-for-trading securities during the reporting year.

Segmental Results

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

Property business

No revenue was generated from the operation of property business for the reporting year (2013: nil) and its segmental result suffered a loss of approximately HK\$0.33 million (2013: a loss of approximately HK\$10.52 million).

Investments in securities business

The revenue generated from the operation of investments in securities for the reporting year was approximately HK\$6.49 million (2013: approximately HK\$0.25 million) and its segmental result reflected a profit of approximately HK\$152.44 million (2013: a profit of approximately HK\$16.78 million).

Cost of Sales

As there was no revenue recorded in the year, no cost of sales was recorded during the reporting year (2013: nil).

Gross Profit/Loss

As described above, neither gross profit nor gross loss arose in the reporting year. (2013: nil).

Other Income

The Group's other income for the reporting year increased to approximately HK\$7.05 million from approximately HK\$4.58 million in year 2013. Such increase was mainly due to imputed interest income of approximately HK\$6.55 million on deferred consideration receivable.

Other Gains and Losses

Other gains and losses of the Group amounted to approximately HK\$179.26 million for the reporting year (2013: gains of approximately HK\$60.13 million). The gains and losses mainly consisted of the gain on disposal of held-for-trading investments of approximately HK\$88.30 million (2013: approximately HK\$0.07 million), net fair value gain on held-for-trading investments of approximately HK\$66.04 million (2013: approximately HK\$16.50 million) and the gain on fair value change of derivative financial instruments of approximately HK\$31.49 million (2013: a net loss of approximately HK\$28.34 million) were generated in the reporting year.

Selling and Distribution Costs

No selling and distribution costs were incurred by the Group during the reporting year (2013: nil).

Administrative Expenses

The Group's administrative expenses for the reporting year decreased to approximately HK\$17.21 million from approximately HK\$28.75 million in the year 2013. Such decrease was due to no pre-promotion expenses were incurred in the current year for the property development project as it had already been disposed of by the Group in September 2013. In addition, administrative expense incurred by other parts of the Group were also decreased when compared with those incurred in 2013 as a result of cost control measures implemented.

Share-based Payments

Share-based payments of the Group amounted to approximately HK\$41.40 million for the reporting year (2013: nil). Its represents the Company has granted share options under the Share Option Scheme to certain eligible grantees and will enable the Grantees to subscribe for an aggregate of 190,550,000 ordinary shares of the Company.

Finance Costs

The Group's finance costs for the reporting year was decreased to approximately HK\$5.04 million from approximately HK\$15.94 million in 2013. 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.

Profit for the Year and Earnings Per Share

The Group's profit attributable to owners of the Company for the reporting year was approximately HK\$122.63 million (2013: approximately HK\$24.42 million). Such change was mainly due to the change in the fair value of the derivative financial instruments, the gain on disposal and fair value change of held-for-trading investments. Basic earnings per share of the Group was approximately HK4.65 cents per share for the year ended 31 December 2014 (2013: approximately HK1.28 cents per share).

BUSINESS REVIEW

During the year, the businesses and operations of the Group were property business and investment in securities business.

As the investment properties were still under renovation, no revenue was recorded during the year. The Group effectively controlled the administrative expenses as well as managed its financial position. During the year, the Group closely monitored the progress of its investment properties and the market conditions of the property markets in the People's Republic of China (the "PRC").

Property business

The investment properties acquired were still under renovation during the year. As such no revenue was generated but a few administrative expenses were incurred for monitoring the progress of renovation works as well as the property leasing market in Guiyang city, the PRC.

Investment in securities business

During the reporting year, a revenue of approximately HK\$6.49 million was recorded from the operation of investments in securities (2013: approximately HK\$0.25 million). This represented dividend income received from held-for-trading securities during the reporting year. The segmental profit of approximately HK\$152.44 million was mainly due to the gain on fair value changes and disposal of held-for-trading investments.

FUTURE PLANS AND PROSPECTS

We are pleased to announce that in the coming year the Group intends to develop new business of environmental protection and renewable energy, including provision of environmental protection services, developing new renewable energy and supply chain management of various products. We are of the view that there is great potential for the environmental protection, renewable energy and supply chain management market and 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 investment. 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 2014, the Group's bank balances and cash was approximately HK\$339.32 million (2013: approximately HK\$37.02 million), representing an increase of 816.59%. There was no bank and other borrowings as at 31 December 2013 and 2014.

As at 31 December 2014, the current ratio (current assets/current liabilities) was 52.04 times (2013: 68.48 times) and the net current assets amounted to approximately HK\$508.73 million (2013: approximately HK\$280.64 million).

During the reporting year, net cash generated from operating activities was approximately HK\$6.26 million (2013: net cash used approximately HK\$28.67 million). The net cash generated from investing activities was approximately HK\$296.10 million (2013: approximately HK\$19.95 million). No cash generated from financing activities (2013: approximately HK\$12.90 million). As a result, the net increase in cash and cash equivalents during the reporting year was approximately HK\$302.36 million (2013: approximately HK\$4.18 million).

No issuance and redemption of convertible notes

There was no issuance and redemption of convertible notes during the reporting year. All operations of the Group were financed by funds generated internally.

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. Details of the share option scheme were set out in the circular of the Company dated 24 April 2012.

With reference to the announcement of the Company dated 23 December 2014, on 23 December 2014 the Company has granted share options (the "Options") under the Share Option Scheme to certain eligible grantees (the "Grantees"), which, subject to acceptance by the Grantees, will enable the Grantees to subscribe for an aggregate of 190,550,000 ordinary shares of the Company (the "Share(s)") of USD0.001 each in the share capital of the Company at an exercise price of HK\$0.405 per Share, which represents the highest of (i) the closing price of HK\$0.405 per Share as stated in the daily quotation sheet issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of HK\$0.394 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the par value of USD0.001 per Share. The Options granted shall be exercisable commencing from 23 December 2014 to 22 December 2024 (both dates inclusive), no Options will be exercisable after the expiry of the Option Period.

Of the total 190,550,000 Options, 5,500,000 Options were granted to Mr. Lo Wing Sang, an Executive Director of the Company.

CAPITAL STRUCTURE

During the year, all holders of the outstanding convertible notes in an aggregate principal amount of HK\$120 million exercised their options to convert the convertible notes into ordinary shares of the Company at a conversion price of HK\$0.12 per share. As a result of the conversion of the convertible notes, the number of the Company's issued shares was increased by 1,000,000,000 shares. As at 31 December 2014, the number of the Company's issued shares was 2,906,073,250 shares.

As at 31 December 2014, the Group had no outstanding convertible notes, bank and other borrowings (31 December 2013: approximately HK\$178.97 million), which resulted in zero gearing ratio (31 December 2013: 27.57%) calculated on the basis of total debts and total assets of the Group. As at 31 December 2014, total assets of the Group amounted to approximately HK\$611.35 million (31 December 2013: approximately HK\$470.14 million).

MATERIAL CONTINGENT LIABILITIES

The Group is not aware of any material contingent liabilities as at 31 December 2014.

PLEDGE OF ASSETS

At the end of the reporting year, the Group had not pledged any assets (2013: 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"). The exchange rate of RMB against HK\$ is relatively stable. 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 2014, the Group had approximately 20 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.

CORPORATE GOVERNANCE

The Board considers that good corporate governance of the Company is crucial to safeguard the interests of the shareholders of the Company and to enhance the performance of the Group. The Board and management of the Company are committed to enhancing corporate governance standard, in compliance with all relevant provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Code") as stated in Appendix 14 to the Listing Rules. The Company has, throughout the year ended 31 December 2014, complied with the relevant provisions of the Code ("Code Provisions"), save for the deviations disclosed below.

Under Code provision A.2.1, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. During the year, the Company did not name any officer with the title of “chief executive officer”. Ms. JIN Cheng Grace is the chairman of the Company (“Chairman”) and the Board has maintained an Investment and Management Committee (the “IMC”) to manage the operations and investment activities of the Group. The IMC assumed the position of chief executive officer and was responsible for managing and smoothing the business operations of the Group while the Chairman was responsible for leading the Board in the overall strategic development of the Group. The Chairman and members of the IMC are separate individuals with segregated roles and have no relationship with each other. The Board believes that there was an effective segregation of duties between the Chairman and the IMC.

The Board considers the above arrangement to be appropriate for the Company as it can preserve the consistent leadership culture of the Company and allow efficient discharge of the functions of the chief executive officer. The Board believes that a balance of power and authority is adequately ensured by the Board which comprises experienced and high caliber individuals, including three independent non-executive directors (the “INEDs”).

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors, as equal Board members, should, among other things, attend general meetings of the Company. During the year, all independent non-executive directors are able to attend the annual general meeting of the Company held on 28 May 2014.

Model Code for Directors’ Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out by the Stock Exchange in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 to the Listing Rules. Having made specific enquiries to all Directors, all Directors have complied with the required standards of dealings as set out in the Model Code and the Company’s own code of conduct during the year under review.

Audit Committee

The audit committee comprises three INEDs, namely Mr. Fu Wing Kwok, Ewing, Mr. Chan Chit Kwai, BBS, JP and Mr. Zeng Qingkai. 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, auditing and financial reporting matters of the Group. The audit committee has reviewed the audited annual financial statements of the Group for the year ended 31 December 2014.

Remuneration Committee

The remuneration committee comprises three INEDs, namely Mr. Chan Chit Kwai, BBS, JP, Mr. Zeng Qingkai and Mr. Fu Wing Kwok, Ewing. It is primarily responsible for offering advice to the Board on the matters pertaining to the remuneration policy and remuneration structure of the directors and senior management of the Company.

Nomination Committee

The nomination committee comprises three INEDs, namely Mr. Zeng Qingkai, Mr. Fu Wing Kwok, Ewing and Mr. Chan Chit Kwai, BBS, JP. It is primarily responsible for (i) reviewing the structure, size and composition (including the skills, knowledge and experiences) of the Board on a regular basis at least annually; (ii) making recommendations to the Board regarding any proposed changes to the Board to complement the Company's corporate strategy; (iii) identifying individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iv) assessing the independence of independent non-executive directors; and (v) making recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors, in particular the chairman and the chief executive officer.

Investment and Management Committee

The Board established the IMC on 15 August 2013. The IMC comprises two executive Directors, namely Mr. Fu Wing Kwok, Ewing and Mr. Lo Wing Sang. It is primarily responsible for (i) acting as a delegate for the Board generally; (ii) making decisions and resolutions, and to exercise all powers of the Board on all matters of the Group in relation to its daily operation and investment activities; and (iii) making recommendations to the Board concerning matters of corporate significance not otherwise dealt by any other committees of the Board.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 2014 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on this announcement.

INTERNAL CONTROL

The Board acknowledges its responsibility for the Group's internal control system to safeguard shareholders' investment and reviewing the effectiveness of such on an annual basis under Code Provision C.2.1.

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 2014.

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 2014 Annual Report will be despatched to our shareholders on or before Wednesday, 18 February 2015 and will be available on the above 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
Jin Cheng Grace
Chairman

Hong Kong, 30 January 2015

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Jin Cheng Grace, Mr. Xing Cheng, Mr. He Xiaowu and Mr. Lo Wing Sang; one non-executive Director, namely, Mr. Lu Zhiqiang; and three independent non-executive Directors, namely Mr. Zeng Qingkai, Mr. Fu Wing Kwok, Ewing and Mr. Chan Chit Kwai, BBS, JP.