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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the “Board”) of China New Energy Power Group Limited (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company, together with its subsidiaries (the “Group”) for the six months ended 30 June 2015, together with the comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Turnover	3	176	–
Other income	4	391	8,762
Other gains and losses	5	(75,269)	102,058
Administrative expenses		(16,232)	(8,071)
Finance costs		(82)	(5,041)
(Loss) profit before taxation		(91,016)	97,708
Taxation	6	(1,279)	–
(Loss) profit for the period	7	(92,295)	97,708
(Loss) profit for the period attributable to:			
Owners of the Company		(92,210)	97,708
Non-controlling interests		(85)	–
		<u>(92,295)</u>	<u>97,708</u>

Six months ended 30 June

	<i>Notes</i>	2015 HK\$'000 (Unaudited)	2014 <i>HK\$'000</i> <i>(Unaudited)</i>
(Loss) profit for the period		(92,295)	97,708
(LOSS) EARNINGS PER SHARE	8		
– Basic		<u>HK(3.17) cents</u>	<u>HK4.13 cents</u>
– Diluted		<u>N/A</u>	<u>HK3.01 cents</u>
 Other comprehensive (expense) income			
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		<u>205</u>	<u>(2,290)</u>
Total comprehensive (expense) income for the period		<u>(92,090)</u>	<u>95,418</u>
 Total comprehensive (expense) income attributable to:			
Owners of the Company		<u>(92,005)</u>	95,418
Non-controlling interests		<u>(85)</u>	<u>–</u>
		<u>(92,090)</u>	<u>95,418</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	<i>Notes</i>	30.6.2015 <i>HK\$'000</i> (Unaudited)	31.12.2014 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		1,367	12
Investment properties	<i>10</i>	88,335	88,459
Goodwill		3,257	–
Deposits for acquisition of property, plant and equipment		4,180	4,180
		97,139	92,651
Current assets			
Trade and other receivables	<i>11</i>	28,693	–
Deposits and prepayments		2,967	2,272
Held-for-trading investments	<i>12</i>	378,370	177,108
Amount due from an ex-executive director		1,741	–
Bank balances and cash		45,947	339,320
		457,718	518,700
Current liabilities			
Other payables	<i>13</i>	1,885	3,455
Bank borrowings		36,186	–
Tax payable		7,791	6,512
		45,862	9,967
Net current assets		411,856	508,733
Total assets less current liabilities		508,995	601,384
Capital and reserves			
Share capital		22,650	22,650
Reserves		486,729	578,734
Equity attributable to owner of the Company		509,379	601,384
Non-controlling interests		(384)	–
Total equity		508,995	601,384

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRS	Annual improvements to HKFRSs 2010-2012 cycle
Amendments to HKFRS	Annual improvements to HKFRSs 2011-2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

The Group’s operations are organised based on three business activities which are also the information regularly reported to the chief operating decision maker (“CODM”). The details of operating and reportable segments of the Group are as follows:

- Investment in securities – trading of securities
- Property – property investment
- Supply chain management business – provision of supply chain management services

The operation of supply chain management business was introduced to the Group during the current interim period.

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

Six months ended 30 June 2015 (unaudited)

	Investment in securities HK\$’000	Property HK\$’000	Supply chain management business HK\$’000	Consolidated HK\$’000
SEGMENT TURNOVER	–	–	176	176
SEGMENT RESULT	(79,660)	(756)	(210)	(80,626)
Unallocated corporate income				391
Unallocated corporate expenses				(10,699)
Finance costs				(82)
Loss before taxation				(91,016)

Six months ended 30 June 2014 (unaudited)

	Investment in securities <i>HK\$'000</i>	Property <i>HK\$'000</i>	Total <i>HK\$'000</i>
SEGMENT RESULT	<u>70,571</u>	<u>(126)</u>	70,445
Unallocated corporate income			8,759
Unallocated corporate expenses			(7,941)
Other gains and losses			31,486
Finance costs			<u>(5,041)</u>
Profit before taxation			<u>97,708</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents (loss) profit before taxation from each segment without allocation of central administrative costs, 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.

4. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income	391	263
Imputed interest income on deferred consideration receivables	-	8,499
	<u>391</u>	<u>8,762</u>

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fair value changes on held-for-trading investments	(84,308)	70,572
Gain on disposal of held-for-trading investments	9,039	-
Net gain on derivative financial instruments	-	31,486
	<u>(75,269)</u>	<u>102,058</u>

6. TAXATION

Six months ended 30 June
2015 2014
HK\$'000 HK\$'000

The taxation charge comprises:

Hong Kong Profits Tax	<u>1,279</u>	<u>–</u>
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Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for current period. No provision for Hong Kong Profits Tax is made for the prior period as the Company and its subsidiaries incorporated in Hong Kong have no assessable profits.

No provision for the People's Republic of China ("PRC") Enterprise Income Tax is made as those subsidiaries established in the PRC have no assessable profits for both periods.

7. (LOSS) PROFIT FOR THE PERIOD

Six months ended 30 June
2015 2014
HK\$'000 HK\$'000

(Loss) profit for the period has been arrived at after charging:

Depreciation of property, plant and equipment	166	33
Interest expense	82	–
Interest expense on convertible notes	–	5,041
	<u>–</u>	<u>5,041</u>

8. (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:

Six months ended 30 June
2015 2014
HK\$'000 HK\$'000

(Loss) earnings:

(Loss) earnings for the purpose of basic (loss) earnings per share	(92,210)	97,708
Effect of dilutive potential ordinary shares:		
– Interest expense on convertible notes	–	5,041
– Net gain on derivative financial instruments	–	(31,486)
	<u>(92,210)</u>	<u>71,263</u>

(Loss) earnings for the purpose of diluted (loss) earnings per share

Six months ended 30 June
2015 2014

Number of shares:

Weighted average number of ordinary shares for the purpose of calculation of basic and diluted (loss) earnings per share	<u>2,906,073,250</u>	<u>2,368,614,686</u>
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For the six months ended 30 June 2015, diluted loss per share was not presented as the assumed exercise of share options during the period has an anti-dilutive effect.

9. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

10. INVESTMENT PROPERTIES

The fair value of the Group's investment properties as at 30 June 2015 and 31 December 2014 has been arrived at on the basis a valuation carried out by LCH (Asia-Pacific) Surveyors Limited, independent valuers not connected with the Group. The fair value was arrived at using direct comparison method where comparison is based on prices realised or market prices of comparable properties. The valuer has used comparable properties of similar size, character and location and are analysed and weighted against all the respective advantages and disadvantages of each property and arrived at fair comparison of capital value.

No fair value change has been recognised in profit or loss for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil) and the movement of investment properties was result of exchange realignment.

11. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the end of the reporting period:

	30.6.2015 <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Trade receivables	31	–
Other receivables	28,662	–
	<hr/> 28,693 <hr/>	<hr/> – <hr/>

12. HELD-FOR-TRADING INVESTMENTS

	30.6.2015 <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Held-for-trading investments include:		
Equity securities listed in Hong Kong	378,370	177,108
	<hr/> 378,370 <hr/>	<hr/> 177,108 <hr/>

The fair values are determined with reference to quoted market bid prices.

13. OTHER PAYABLES

The following is an analysis of other payables at the end of the reporting period:

	30.6.2015 <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Accrued expenses	389	3,455
Other payables	1,496	–
	<hr/> 1,885 <hr/>	<hr/> 3,455 <hr/>

14. EVENT AFTER REPORTING PERIOD

On 17 June 2015, the Company entered into a placing agreement with a placing agent to place (the "Placing") 390,644,000 shares of the Company of US\$0.001 each at a placing price of HK\$0.201 each.

Subsequent to the end of the reporting period, on 8 July 2015, 390,600,000 shares of HK\$0.201 each of the Company were successfully placed by the placing agent to not less than six places at a placing price of HK\$0.201 per share. The net proceeds from the Placing amounted to approximately HK\$77 million, of which approximately HK\$60 million is intended to be applied for the Group's segment of "Property – property investment"; and approximately HK\$17 million is intended to be applied for the Group's overall operating expenses.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend in respect of the six months ended 30 June 2015 (six months ended 30 June 2014: Nil). Accordingly, no closure of register of members of the Company is proposed.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Revenue

In the first half of year 2015, the Group's revenue was approximately HK\$0.18 million (six months ended 30 June 2014: Nil). This represented service income received from supply chain management business during the reporting period.

Segmental Results

Investment in securities business

There was no revenue generated from the operation of investment in securities for the reporting period (six months ended 30 June 2014: Nil) and its segmental result reflected a loss of approximately HK\$79.66 million (six months ended 30 June 2014: profit of approximately HK\$70.57 million).

Property business

There was no revenue generated from the Group's property business for the reporting period (six months ended 30 June 2014: Nil) and its segmental result suffered a loss of approximately HK\$0.76 million (six months ended 30 June 2014: loss of approximately HK\$0.13 million).

Supply chain management business

The revenue generated from the operation of supply chain management business for the reporting period was approximately HK\$0.18 million (six months ended 30 June 2014: No such segment) and its segmental result suffered a loss of approximately HK\$0.21 million (six months ended 30 June 2014: No such segment).

Cost of Sales

As there was only service income received from supply chain management business recorded in the period under review, no cost of sales was recorded (six months ended 30 June 2014: Nil).

Gross Profit or Loss

As described above, neither gross profit nor gross loss arose in the reporting period (six months ended 30 June 2014: Nil).

Other Income

The Group's other income for the reporting period decreased to approximately HK\$0.39 million from approximately HK\$8.76 million for the corresponding period in 2014. Such decrease was mainly due to imputed interest income of approximately HK\$8.50 million on deferred consideration receivable in 2014.

Other Gains and Losses

Other losses of the Group amounted to approximately HK\$75.27 million for the reporting period (six months ended 30 June 2014: a gain of approximately HK\$102.06 million). The losses mainly consisted of the loss on fair value change of held-for-trading investments of approximately HK\$84.31 million (six months ended 30 June 2014: a gain of approximately HK\$70.57 million), gain on disposal of held-for trading investments of approximately HK\$9.04 million (six months ended 30 June 2014: Nil) and no gain on fair value change of derivative financial instruments (six months ended 30 June 2014: a gain of approximately HK\$31.49 million).

Selling and Distribution Costs

No selling and distribution costs were incurred by the Group for the reporting period (six months ended 30 June 2014: Nil).

Administrative Expenses

The Group's administrative expenses for the reporting period was increased to approximately HK\$16.23 million from approximately HK\$8.07 million in the corresponding period in 2014. The increase was mainly due to the additional expenses were incurred in the reporting period for the supply chain management business development.

Finance Costs

The Group's finance costs for the reporting period was decreased to approximately HK\$0.08 million from approximately HK\$5.04 million in the corresponding period 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 Period and Loss Per Share

The Group's loss attributable to owners of the Company for the reporting period was approximately HK\$92.21 million (six months ended 30 June 2014: profit of approximately HK\$97.71 million). The decrease was mainly due to the loss on fair value change of held-for-trading investments and no gain on fair value change of derivative financial instruments. Basic loss per share of the Group was HK3.17 cents per share for the six months ended 30 June 2015 (six months ended 30 June 2014: earnings per share HK4.13 cent per share).

BUSINESS REVIEW

During the period under review, the businesses and operations of the Group were investment in securities business, property business and supply chain management business.

As the supply chain management business was under development stage, the Group effectively controlled and monitored the operation expenses as well as managed its financial position during the reporting period.

In order to strengthen the capital base and financial resources of the Group, the Company has successfully completed the Placing of 390,600,000 shares of the Company of HK\$0.201 each with net proceeds of approximately HK\$77 million on 8 July 2015. With the strengthened financial position, the Group will deploy more resources and take appropriate strategy to expand the sources of income from the property investment business. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.

Investment in securities business

No revenue was generated from the operation of investment in securities for the reporting period and its segmental loss of approximately HK\$79.66 million (six months ended 30 June 2014: profit of approximately HK\$70.57 million) was due to the loss on change in fair value of held-for-trading investments.

Property business

The investment properties acquired were still under renovation during the reporting period. 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.

Supply chain management business

During the reporting period, a revenue of approximately HK\$0.18 million was recorded from the operation of supply chain management business (six months ended 30 June 2014: No such segment). This represented service income received during the reporting period. The segmental result suffered a loss of approximately HK\$0.21 million was mainly due to the costs incurred for the operating expense.

FUTURE PROSPECTS

In the first half of the year 2015, the market sentiment continued to be adversely affected by the economic slowdown in the PRC. Due to the fiscal policies and measures taken by central government of the PRC, the market's confidence gradually improved. We are positive and cautiously optimistic for the performance of supply chain management business. The Group will also keep on monitoring and analysing government policies and the market trend in an active manner, so as to align its development and marketing strategies to grasp opportunities.

Moreover, the Group will continue to dedicate its efforts to the development of its existing businesses and other potential projects with a view to providing steady returns as well as fruitful growth for its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group's bank balances and cash was approximately HK\$45.95 million (31 December 2014: approximately HK\$339.32 million), representing a decrease of 86.46%. There was approximately HK\$36.19 million bank borrowings as at 30 June 2015 (31 December 2014: Nil).

As at 30 June 2015, the current ratio (current assets/current liabilities) was 9.98 times (31 December 2014: 52.04 times) and the net current assets amounted to approximately HK\$411.86 million (31 December 2014: approximately HK\$508.73 million).

During the reporting period, the net cash used in operating activities was approximately HK\$324.23 million, the net cash generated from financing activities was approximately HK\$36.19 million and the net cash used in from investing activities was approximately HK\$5.72 million. As a result, the net decrease in cash and cash equivalents during the reporting period was approximately HK\$293.76 million.

No issuance and redemption of convertible notes

There was no issuance and redemption of convertible notes during the reporting period. 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. 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 six months ended, no share options were granted.

CAPITAL STRUCTURE

On 17 June 2015, the Company entered into a placing agreement with a placing agent to place 390,644,000 shares of the Company of US\$0.001 each at a placing price of HK\$0.201 each. The Placing was completed subsequent to the end of the reporting period, on 8 July 2015, 390,600,000 shares of the Company with net proceeds of approximately HK\$77 million, of which approximately HK\$60 million is intended to be applied for the Group's segment of "Property – property investment"; and approximately HK\$17 million is intended to be applied for the Group's overall operating expenses.

Save as the disclosure above, there was no changes in the capital structure of the Company during the reporting period.

As at 30 June 2015, the Group's gearing ratio calculated on the basis of bank borrowings of approximately HK\$36.19 million (31 December 2014: Nil) and total assets of approximately HK\$554.86 million (31 December 2014: approximately HK\$611.35 million), was 6.12% (31 December 2014: zero).

Subsequent to the end of the reporting period, on 8 July 2015, the Group completed the Placing with net proceeds of approximately HK\$77 million, resulting with an improvement of the gearing ratio.

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.

PLEDGE OF ASSETS

At the end of the reporting period, no pledge of assets was made by the Group.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2015, the Group had approximately 30 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 is committed to maintaining a high standard of corporate governance in the best interests of the shareholders of the Company ("Shareholders"). The corporate governance principles adopted by the Company emphasize on a highly efficient Board, sound internal controls and the transparency and accountability to all Shareholders.

Throughout the period from 1 January 2015 to 30 June 2015, 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.

The Board will continue to review and improve the corporate governance practices and standards of the Company to ensure that the Group's business and decision making processes are regulated in a proper and prudent manner.

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 of 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 required standard as set out in the Model Code during the six months ended 30 June 2015.

Audit Committee

The Audit Committee previously comprised of three directors, namely Mr. Fu Wing Kwok, Ewing, Mr. Zeng Qingkai and Mr. Chan Chit Kwai. Mr. Fu Wing Kwok, Ewing resigned as the Chairman of the Audit Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the Chairlady of the Audit Committee with effect from 10 June 2015 and resigned with effect from 28 July 2015, Mr. Zeng Qingkai resigned as the member of the Audit Committee with effect from 15 June 2015. Mr. Ho Long Chin Matthew was appointed as the member of the Audit Committee with effect from 15 June 2015 and resigned with effect from 28 July 2015. Mr. Chan Chit Kwai resigned as the member of the Audit Committee with effect from 16 June 2015.

Now the Audit Committee comprises of three independent non-executive directors, Dr. Loke Yu alias Loke Hoi Lam was appointed as the Chairman of the Audit Committee with effect from 28 July 2015, Mr. Tse Long was appointed as the member of the Audit Committee with effect from 28 July 2015 and Mr. Zeng Zhaolin. Mr. Zeng Zhaolin was appointed as the member of the Audit Committee with effect from 16 June 2015.

The terms of reference of the Audit Committee comply with the code provisions of the Code. The Audit Committee is responsible for reviewing and supervising the Group’s financial reporting process and internal control system and providing advice and recommendations to the Board.

During the reporting period, the Audit Committee has reviewed with management of the Company on internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2015.

Remuneration Committee

The Remuneration Committee previously comprised of three directors, namely Mr. Fu Wing Kwok, Ewing, Mr. Zeng Qing Kai and Mr. Chan Chit Kwai. Mr. Fu Wing Kwok, Ewing resigned as the member of the Remuneration Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the member of the Remuneration Committee with effect from 10 June 2015 and resigned with effect from 28 July 2015. Mr. Zeng Qingkai resigned as the member of the Remuneration Committee with effect from 15 June 2015. Mr. Ho Long Chin Matthew was appointed as the member of the Remuneration Committee with effect from 15 June 2015 and resigned with effect from 28 July 2015. Mr. Chan Chit Kwai resigned as the Chairman of the Remuneration Committee with effect from 16 June 2015.

Now the Remuneration Committee comprises of three independent non-executive directors and one executive director, Mr. Zeng Zhaolin, Mr. Tse Long was appointed as the member of the Remuneration Committee with effect from 28 July 2015, Dr. Loke Yu alias Loke Hoi Lam was appointed as the member of the Remuneration Committee with effect from 28 July 2015 and Mr. Wen Wenfeng was appointed as the member of the Remuneration Committee with effect from 31 July 2015. Mr. Zeng Zhaolin was appointed as the Chairman of the Remuneration Committee with effect from 16 June 2015.

The terms of reference of the Remuneration Committee comply with the code provisions of the Code. The Remuneration Committee is principally 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 previously comprised of three directors, namely Mr. Fu Wing Kwok, Ewing, Mr. Zeng Qingkai and Mr. Chan Chit Kwai. Mr. Fu Wing Kwok, Ewing resigned as the member of the Nomination Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the member of the Nomination Committee with effect from 10 June 2015 and resigned with effect from 28 July 2015. Mr. Zeng Qingkai resigned as the Chairman of the Nomination Committee with effect from 15 June 2015. Mr. Ho Long Chin Matthew was appointed as the Chairman of the Nomination Committee with effect from 15 June 2015, ceased to be the Chairman of the Nomination Committee and remains as the member of the Nomination Committee with effect from 16 June 2015, and resigned as the member of the Nomination Committee with effect from 28 July 2015. Mr. Chan Chit Kwai resigned as the member of the Nomination Committee with effect from 16 June 2015.

Now the Nomination Committee comprises of three independent non-executive directors and one executive director, Mr. Zeng Zhaolin, Mr. Tse Long was appointed as the member of the Nomination Committee with effect from 28 July 2015, Dr. Loke Yu alias Loke Hoi Lam was appointed as the member of the Nomination Committee with effect from 28 July 2015 and Mr. Wu Xiaolin was appointed as the member of the Nomination Committee with effect from 31 July 2015. Mr. Zeng Zhaolin was appointed as the chairman of the Nomination Committee with effect from 16 June 2015.

The terms of reference of the Nomination Committee comply with the code provisions of the Code. The Nomination Committee is principally responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become Board members, assessing the independence of the INEDs, and making recommendations to the Board on the appointment and reappointment of directors and succession planning for directors.

Investment and Management Committee

The Investment and Management Committee previously comprised two directors including Mr. Fu Wing Kwok, Ewing and Mr. Lo Wing Sang. Mr. Fu Wing Kwok, Ewing resigned as the Chairman of the Investment and Management Committee with effect from 10 June 2015. Ms. Tang Man Yi was appointed as the Chairlady of the Investment and Management Committee with effect from 10 June 2015, redesignated from the Chairlady of the Investment and Management Committee to the member of the Investment and Management Committee with effect from 16 June 2015 and resigned as the member of the Investment and Management Committee with effect from 28 July 2015.

Now the Investment and Management Committee comprises of two executive directors and two independent non-executive directors, Mr. Wen Wenfeng was appointed as the Chairman of the Investment and Management with effect from 31 July 2015, Mr. Lam Kwok Hing Wilfred was appointed as the Chairman of the Investment and Management Committee with effect from 16 June 2015 and redesignated from the Chairman of the Investment and Management Committee to the member of the Investment and Management Committee with effect from 31 July 2015. Dr. Loke Yu alias Loke Hoi Lam was appointed as the member of the Investment and Management Committee with effect from 28 July 2015 and Mr. Zeng Zhaolin was appointed as the member of the Investment and Management Committee with effect from 16 June 2015. Mr. Lo Wing Sang resigned as the member of the Investment and Management Committee with effect from 28 July 2015.

The Investment and Management Committee 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 with by any other committees of the Board.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls, and financial reporting matters including the review of the unaudited interim financial statements for the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2015, neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any listed securities of the Company.

PUBLICATION OF UNAUDITED INTERIM RESULTS

This 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 interim report will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
China New Energy Power Group Limited
Lam Kwok Hing Wilfred
Chairman

Hong Kong, 26 August 2015

As at the date of this announcement, the Board comprises four Executive Directors, namely Mr. Lam Kwok Hing Wilfred, JP. (Chairman), Mr. Wu Xiaolin (Chief Executive Officer), Mr. Shi Liangsheng and Mr. Wen Wenfeng; one Non-Executive Director, namely Mr. Lung Chee Ming George; and three Independent Non-Executive Directors, namely Mr. Zeng Zhaolin, Dr. Loke Yu (alias Loke Hoi Lam) and Mr. Tse Long.