THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China WindPower Group Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

中国风电集团有限公司*

China WindPower Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

MAJOR AND CONNECTED TRANSACTION DISPOSALS OF INTERESTS IN JOINTLY CONTROLLED ENTITIES

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

SOMERLEY LIMITED

25 June 2013

* *for identification purpose only*

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

"Agreement(s)"	the S&P Agreement 1, the S&P Agreement 2, the S&P Agreement 3 and/or the S&P Agreement 4 (as applicable)
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Century Concord"	Century Concord Wind Power Investment Co., Ltd. (協合風電投資有限公司), a wholly-owned subsidiary of the Company
"Company"	China WindPower Group Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to such term in the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal(s)"	the disposal(s) of JCE1, JCE2, JCE3 and/or JCE4 pursuant to the Agreement(s) (as applicable)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board, comprising all independent non-executive Directors, established for the purposes of advising the Independent Shareholders of the Company on the Disposals
"Independent Shareholders"	independent shareholders of the Company for the purposes of the Disposals
"JCE(s)"	JCE1, JCE2, JCE3 and/or JCE4 (as applicable)
"JCE1"	Fuxin Julonghu Wind Power Co., Ltd.* (阜新巨龍湖風力發電有限公司)

"JCE2"	Fuxin Qianfoshan Wind Power Co., Ltd.* (阜新千佛山風力發電有限公司)
"JCE3"	Fuxin Juyuan Wind Power Co., Ltd.* (阜新聚緣風力發電有限公司)
"JCE4"	Fuxin Juhe Wind Power Co., Ltd.* (阜新聚合風力發電有限公司)
"Latest Practicable Date"	20 June 2013, the latest practicable date before the printing of this circular for ascertaining certain information contained herein
"Liaoning Energy"	遼寧能源投資(集團)有限責任公司 (Liaoning Energy Investment (Group) Co., Ltd). Liaoning Energy is a stated-owned enterprise in the PRC affiliated with the State-owned Assets Supervision and Administration Commission of the Liaoning Provincial Government and is principally engaged in the development of power projects in the PRC
"Liaoning Energy Group"	Liaoning Energy and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MW"	Megawatt
"PRC"	the People's Republic of China
"Purchaser"	Guodian Northeast New Energy Developments Ltd.* (國電東北新能源發展有限公司)
"RMB"	Renminbi Yuan, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
"Shareholder(s)"	shareholder(s) of the Company

"Somerley"	Somerley Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in respect of the Disposals, a licensed corporation for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"S&P Agreement 1"	the agreement dated 1 March 2013 entered into between Century Concord and the Purchaser in relation to the disposal of the 60% equity interest in JCE1 held by Century Concord to the Purchaser
"S&P Agreement 2"	the agreement dated 1 March 2013 entered into between Century Concord and the Purchaser in relation to the disposal of the 60% equity interest in JCE2 held by Century Concord to the Purchaser
"S&P Agreement 3"	the agreement dated 1 March 2013 entered into between Century Concord and the Purchaser in relation to the disposal of the 60% equity interest in JCE3 held by Century Concord to the Purchaser
"S&P Agreement 4"	the agreement dated 1 March 2013 entered into between Century Concord and the Purchaser in relation to the disposal of the 60% equity interest in JCE4 held by Century Concord to the Purchaser
"US$"	United States dollar, the lawful currency of the United States
"Vigers"	Vigers Appraisal & Consulting Limited, the independent appraiser engaged by the Company to appraise the value of JCE1, JCE2, JCE3 and JCE4
"%"	per cent

For the purpose of circular, the translation of RMB into HK$ is based on the exchange rate of RMB1.00 = HK$1.26.

中国风电集团有限公司*
China WindPower Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 182)

Executive Directors:
Mr. Liu Shunxing
(Chairman and Chief Executive Officer)
Mr. Ko Chun Shun, Johnson *(Vice Chairman)*
Mr. Wang Xun
Mr. Yang Zhifeng
Ms. Liu Jianhong
Mr. Yu Weizhou
Mr. Zhou Zhizhong
Ms. Ko Wing Yan, Samantha
Mr. Chan Kam Kwan, Jason

Non-executive Director:
Mr. Tsoi Tong Hoo, Tony

Independent non-executive Directors:
Dr. Zhou Dadi
Dr. Wong Yau Kar, David, *BBS, JP*
Mr. Yap Fat Suan, Henry
Dr. Shang Li
Ms. Huang Jian

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head office and principal place of business in Hong Kong:
Unit 3901
Far East Finance Center
16 Harcourt Road
Admiralty
Hong Kong

25 June 2013

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION DISPOSALS OF INTERESTS IN JOINTLY CONTROLLED ENTITIES

INTRODUCTION

On 1 March 2013, Century Concord, a wholly-owned subsidiary of the Company, entered into four Agreements with the Purchaser pursuant to which Century Concord has conditionally agreed to dispose of 60% equity interests in four JCEs, being the entire equity interests in the JCEs held by Century Concord, to the Purchaser at a total consideration of RMB225,403,500 (equivalent to approximately HK$284.01 million).

* *for identification purpose only*

THE AGREEMENTS

The table below sets out the details on the Agreements:

Date of the Agreements	1 March 2013			
Agreements	S&P Agreement 1	S&P Agreement 2	S&P Agreement 3	S&P Agreement 4
Equity interests to be disposed of	60% of Fuxin Julonghu Wind Power Co., Ltd.* (阜新巨龍湖風力發電有限公司) ("JCE1")	60% of Fuxin Qianfoshan Wind Power Co., Ltd.* (阜新千佛山風力發電有限公司) ("JCE2")	60% of Fuxin Juyuan Wind Power Co., Ltd.* (阜新聚緣風力發電有限公司) ("JCE3")	60% of Fuxin Juhe Wind Power Co., Ltd.* (阜新聚合風力發電有限公司) ("JCE4")
Vendor	Century Concord	Century Concord	Century Concord	Century Concord
Purchaser	Guodian Northeast New Energy Developments Ltd.* (國電東北新能源發展有限公司)			
Consideration for each of the Disposals under the Agreements	RMB54,813,000	RMB59,644,500	RMB54,258,600	RMB56,687,400

The Purchaser is a subsidiary of China Guodian Corporation. According to the information available on the website of China Guodian Corporation, China Guodian Corporation is one of the largest nationwide power generation groups and its establishment was approved by the State Council of China. China Guodian Corporation is principally engaged in the development, investment, construction, operation and management of power generation, and the sales of power (and heat). It is also engaged in the investment, construction, operation and management of the business relevant to its core business, such as coal, power generation equipment, new energy, transportation, high-tech, environment protection, technological services and consultancy. The Purchaser is principally engaged in wind power, hydro power, solar power and the related development, operation and management.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Conditions precedent and completion

Each of the Agreements will come into effect from the date when (a) the legal or authorized representatives of the parties to the relevant Agreement have signed the relevant Agreement with company chop and (b) the Company has obtained the necessary approval(s) as required under the Listing Rules for the relevant Disposal. The Agreements have taken effect.

The share transfer of the JCEs was subject to the following conditions:

(i) Century Concord, the Purchaser and the relevant JCE having obtained the necessary approval and/or having completed the necessary approval and/or filing procedures in respect of the relevant Disposal and Century Concord having obtained the undertaking from other existing shareholder of the relevant JCE that it will not exercise the first right of refusal to purchase the equity interest of the relevant JCE;

(ii) there is no law, regulation, rule or other regulatory document prohibiting, restricting, substantially amending, or invalidating the relevant Disposal;

(iii) if there is any contract, agreement or other binding document that requires any creditors or counterparties of the aforesaid documents to be informed of or to seek their consent or approval for the relevant Disposal, Century Concord and/or the relevant JCE having informed or obtained the written consent or approval from such creditors or counterparties;

(iv) the relevant Agreement having come into effect; and

(v) the pledge of Century Concord's 60% interest in the relevant JCE in favour of Liaoning Energy (for the third party borrowing lent to the relevant JCE which is guaranteed by Liaoning Energy) having been released.

Under the S&P Agreement 2, Century Concord has undertaken to indemnify the Purchaser in respect of the loss that JCE2 may incur in respect of some liabilities of JCE2 before the effective date of the S&P Agreement 2.

The Agreements are not inter-conditional. All the conditions precedent to the Agreements have been fulfilled and the share transfer of the JCEs in the Administration for Industry and Commerce has been completed.

Consideration

The total consideration for the Disposals is RMB225,403,500 (equivalent to approximately HK$284.01 million). Each of the consideration in relation to the disposal of JCE1, JCE2, JCE3 and JCE4 of RMB54,813,000, RMB59,644,500, RMB54,258,600 and RMB56,687,400 respectively is payable by the Purchaser to Century Concord as follows:

(i) 50% of the consideration for the relevant Disposal within 30 business days after fulfilling the conditions precedent to the share transfer of the relevant JCE;

(ii) 42% of the consideration for the relevant Disposal within 10 business days after the completion of the asset inspection on the relevant JCE by the Purchaser and the share transfer of the relevant JCE in the Administration for Industry and Commerce; and

(iii) 8% of the consideration for the relevant Disposal within 10 business days after the first anniversary of the completion of the share transfer of the relevant JCE and Century Concord has fulfilled all of its representations, warranties and undertakings as set out in the relevant Agreement.

The terms of the Agreements and each of the consideration of the Disposals were determined after arm's length negotiations between the parties. In agreeing with the terms, the Group has considered, among other factors, the net asset value and prospects of the JCEs.

Information on the JCEs

Set out below is the information on the JCEs:

	Fuxin Julonghu Wind Power Co., Ltd. (阜新巨龍湖風力發電有限公司) ("JCE1")	**Fuxin Qianfoshan Wind Power Co., Ltd. (阜新千佛山風力發電有限公司) ("JCE2")**	**Fuxin Juyuan Wind Power Co., Ltd. (阜新聚緣風力發電有限公司) ("JCE3")**	**Fuxin Juhe Wind Power Co., Ltd. (阜新聚合風力發電有限公司) ("JCE4")**
Date of establishment	9 February 2009	15 July 2009	17 November 2009	18 November 2009
Registered capital	RMB100 million	RMB100 million	RMB100 million	RMB100 million
Unaudited net asset value as of 31 December 2012	RMB100.39 million	RMB102.11 million	RMB88.75 million	RMB99.54 million
Revenue for the year ended 31 December 2010 (audited)	RMB49.34 million	RMB26.40 million	Nil	RMB36.06 million

	Fuxin Julonghu Wind Power Co., Ltd. (阜新巨龍湖風力發電有限公司) ("JCE1")	Fuxin Qianfoshan Wind Power Co., Ltd. (阜新千佛山風力發電有限公司) ("JCE2")	Fuxin Juyuan Wind Power Co., Ltd. (阜新聚緣風力發電有限公司)("JCE3")	Fuxin Juhe Wind Power Co., Ltd. (阜新聚合風力發電有限公司) ("JCE4")
Revenue for the year ended 31 December 2011 (audited)	RMB43.49 million	RMB43.82 million	RMB51.84 million	RMB42.48 million
Revenue for the year ended 31 December 2012 (unaudited)	RMB46.47 million	RMB46.09 million	RMB42.73 million	RMB44.55 million
Profit/(loss) (both before and after taxation) for the year ended 31 December 2010 (audited)	RMB17.13 million	RMB12.94 million	RMB(0.2) million	RMB21.54 million
Profit/(loss) (both before and after taxation) for the year ended 31 December 2011 (audited)	RMB7.27 million	RMB4.995 million	RMB11.32 million	RMB4.87 million
Profit/(loss) (both before and after taxation) for the year ended 31 December 2012 (unaudited)	RMB(0.32) million	RMB4.95 million	RMB(3.82) million	RMB1.41 million
Principal business	Investment, development and operation of the wind farm project located in Zhangwu County, Liaoning, the PRC	Investment, development and operation of the wind farm project located in Zhangwu County, Liaoning, the PRC	Investment, development and operation of the wind farm project located in Zhangwu County, Liaoning, the PRC	Investment, development and operation of the wind farm project located in Zhangwu County, Liaoning, the PRC
Commencement of wind farm operation	December 2009	December 2009	August 2010	December 2009
Capacity of wind farm	49.5 MW	49.5 MW	49.5 MW	49.5 MW

REASON FOR AND BENEFITS OF THE DISPOSALS

The Group is principally engaged in the wind power sector, investing in various wind farm projects and providing wind power engineering and construction services in the PRC and it is also engaged in solar energy investment and operation. The JCEs are principally engaged in the investment, development and operation of the wind farm projects in Zhangwu County, Liaoning Province of the PRC.

The Group has adopted a "build and sell" strategy whereby the Group builds power plants and disposes of its interests in the power plants upon completion or operation of the wind farms. The Group is experienced in building and constructing wind power plants. Upon completion of construction or operation of wind power plants, the Group expects for a higher price for the disposal of its interests in the power plants. The Directors consider that the "build and sell" strategy allows the Group to fully leverage on its strengths of wind power development and wind power plant construction so as to attain a more reasonable return on its investments.

The Directors consider that the Disposals represent good opportunities for the Group to realise its investments in the JCEs and the Disposals and the terms of the Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSALS ON THE GROUP

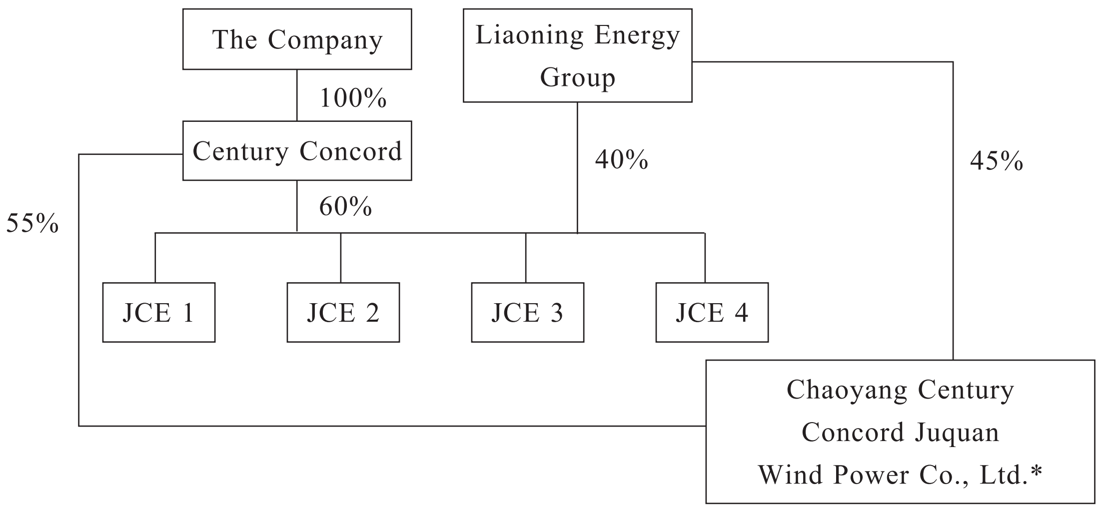
For illustrative purposes only, based on unaudited management accounts which are subject to final audit and possible audit adjustments, the Group would record a total gain of approximately RMB32.8 million (equivalent to approximately HK$41.3 million) as a result of the disposals of the JCEs, being the sum of (i) the difference between the consideration for the Disposals and the net asset value of the JCEs as at 28 February 2013 attributable to the equity interests in the JCEs being sold by the Group (representing a deficit of the consideration under the net asset value attributable to the equity interests of JCEs being disposed of amounted to approximately RMB6.2 million) and (ii) as a result of the Disposals, the recognition of unrealised profits on previous transactions between the Group and the JCEs that were attributable to the disposal interests under the Disposals of approximately RMB39 million. The proceeds from the Disposals will be used as general working capital of the Group.

The Group has ceased to hold any equity interest in the JCEs and the financial results of the JCEs are no longer be consolidated in the Group's consolidated financial statements. Subject to final audit and possible audit adjustments, the consolidated net asset value of the Group attributable to the Shareholders will increase by approximately HK$41.3 million, which represents the estimated gains on the Disposals.

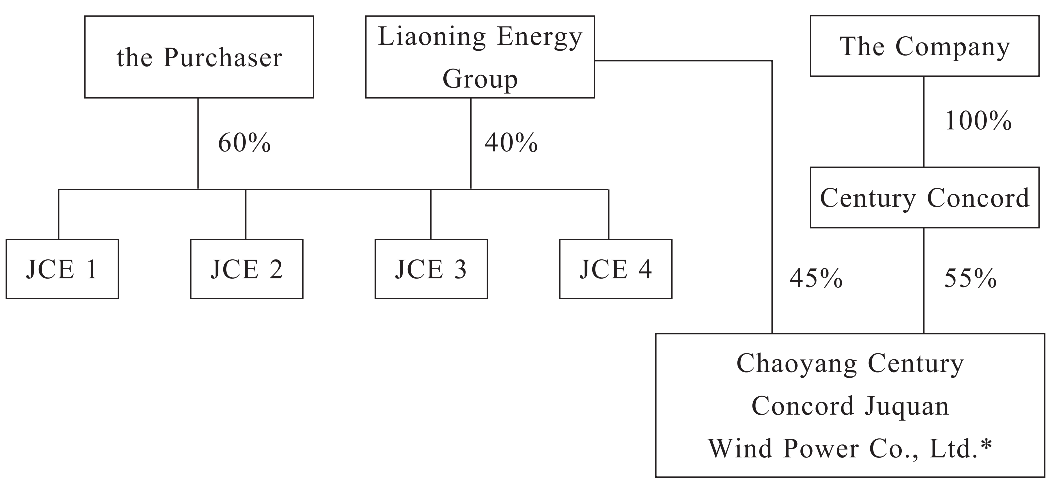
LISTING RULES IMPLICATIONS

As an applicable percentage ratio in respect of the transactions in aggregate exceeded 25% but was less than 75%, the transactions under the Agreements in aggregate constituted a major transaction for the Company subject to shareholders' approval under the Listing Rules.

The chart below shows the shareholding structure of the four JCEs before the Disposals:



The chart below shows the shareholding structure of the four JCEs after the Disposals:



As illustrated in the charts above, the JCEs were owned as to 60% by the Company before the Disposals and 40% indirectly by Liaoning Energy and were considered to be subsidiary undertakings of the Company. In addition, Liaoning Energy and the Group hold equity interests in other entities, one of which namely Chaoyang Century Concord Juquan Wind Power Co., Ltd., is held as to 55% by the Group and 45% by Liaoning Energy and is also a subsidiary undertaking of the Company. As such, Liaoning Energy is a controller of the Company under the Listing Rules and pursuant to Rule 14A.13, the Disposals in aggregate also constituted a connected transaction of the Company subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Gain Alpha Finance Limited is wholly owned by Mr. Ko Chun Shun, Johnson, the Vice Chairman of the Company and an executive Director. China Wind Power Investment Limited is wholly owned by New Energy International Limited which is wholly owned by Concord International Investment Limited. Concord International Investment Limited is owned as to approximately 88.02% by Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng and Ms. Liu Jianhong, all being executive Directors. Mr. Liu Shunxing is also the Chairman and Chief Executive Officer of the Company. Gain Alpha Finance Limited which holds 2,000,000,000 Shares and China Wind Power Investment Limited which holds 2,023,469,387 Shares are a closely allied group of Shareholders who, in aggregate, hold 4,023,469,387 Shares, representing approximately 54.4% of the existing issued share capital of the Company as at the Latest Practicable Date.

To the best knowledge of the Directors, no Shareholder (including Gain Alpha Finance Limited, China Wind Power Investment Limited and their respective associates) has a material interest in the Agreements and the Disposals which is different from other Shareholders and no Shareholder is required to abstain from voting if the Company were to convene a general meeting in respect of the Disposals and the transactions contemplated thereunder.

The Company has obtained a written shareholders' approval from a closely allied group of Shareholders of Gain Alpha Finance Limited and China Wind Power Investment Limited approving the Agreements and the transactions contemplated thereunder pursuant to Rule 14.44 and 14A.43 of the Listing Rules. Pursuant to Rule 14A.43 of the Listing Rules, the Company has applied for and received a waiver from the Stock Exchange accepting the written shareholders' approval by Gain Alpha Finance Limited and China Wind Power Investment Limited to approve the Agreements and the transactions contemplated thereunder in lieu of convening a general meeting. Accordingly, no general meeting will be convened in this regard.

RECOMMENDATION

The entering into of the Agreements were approved by the Board. As no Director has a conflict of interest in respect of the Disposals, no Director abstained from voting in respect of board resolutions approving the Agreements and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of Agreements, and the transactions contemplated thereunder. Having considered Somerley's opinion that the terms of the Disposals are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole, were a special general meeting convened for the Disposals, the Independent Board Committee would recommend the Independent Shareholders to vote in favour of the resolutions to approve the Disposals.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposals and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Were a special general meeting convened for the Disposals, the Directors would recommend the Shareholders to vote in favour of the resolutions for approving the Disposals.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out elsewhere in this circular and in the appendices to it.

This circular is issued for Shareholders' information purposes.

Yours faithfully,
For and on behalf of
China WindPower Group Limited
Liu Shunxing
Chairman and Chief Executive Officer

中国风电集团有限公司*

China WindPower Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

25 June 2013

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION DISPOSALS OF INTERESTS IN JOINTLY CONTROLLED ENTITIES

We refer to the circular of the Company dated 25 June 2013 (the "**Circular**") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the terms of the Disposals.

Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 15 to 30 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 12 of the Circular and the additional information set out in the appendices of the Circular.

* *for identification purpose only*

Having considered the terms of the Agreements and the advice of Somerley, we are of the opinion that the terms of the Disposals are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, were a special general meeting convened for the Disposals, we would recommend the Independent Shareholders to vote in favour of the resolutions to approve the Disposals.

Yours faithfully,
Independent Board Committee of
China WindPower Group Limited

Dr. Zhou Dadi	**Dr. Wong Yau Kar, David, BBS, JP**	**Mr. Yap Fat Suan, Henry**	**Dr. Shang Li**	**Ms. Huang Jian**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

The following is the letter of advice from the independent financial adviser, Somerley Limited, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

SOMERLEY LIMITED
20th Floor
Aon China Building
29 Queen's Road Central
Hong Kong

25 June 2013

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION
DISPOSALS OF INTERESTS IN JOINTLY CONTROLLED ENTITIES

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the disposals by Century Concord of 60% equity interest in four JCEs pursuant to the Agreements. Details of the Disposals are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 25 June 2013 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As an applicable percentage ratio with respect to the transactions in aggregate exceeded 25% but was less than 75%, the transactions under the Agreements in aggregate constituted a major transaction for the Company under the Listing Rules and are subject to shareholders' approval. As at the date of the Agreements, the JCEs were owned as to 60% by the Company and 40% indirectly by Liaoning Energy and were considered to be subsidiary undertakings of the Company. In addition, Liaoning Energy and the Group hold equity interests in other entities, one of which namely Chaoyang Century Concord Juquan Wind Power Co., Ltd., is held as to 55% by the Group and 45% by Liaoning Energy and is also a subsidiary undertaking of the Company. Therefore, Liaoning Energy is a controller of the Company under the Listing Rules. Pursuant to Rule 14A.13, the Disposals when aggregated also constituted a connected transaction for the Company under the Listing Rules, and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules. We are informed by the Company that the Company has obtained written Shareholders' approval from Gain Alpha Finance Limited and China Wind Power Investment Limited (a closely allied group of Shareholders who in aggregate hold 4,023,469,387 Shares, representing approximately 54.4% of the issued share capital of the Company as at 1 March 2013 (being the date of the announcement of the Disposals) and as at the Latest Practicable Date), to approve the Agreements and the transactions contemplated thereunder. Pursuant to Rule 14A.43 of the Listing Rules, the Company had applied for and received a waiver from the Stock Exchange accepting such written Shareholders' approval and therefore no Shareholders' meeting would be held in this regard.

The Independent Board Committee, comprising all of the five independent non-executive Directors, namely Dr. Zhou Dadi, Dr. Wong Yau Kar, David, BBS, JP, Mr. Yap Fat Suan, Henry, Dr. Shang Li and Ms. Huang Jian has been established to consider and give an opinion to the Independent Shareholders on whether (1) the terms of the Disposals are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (2) the Disposals are in the interests of the Company and the Shareholders as a whole. We, Somerley Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us were true, accurate and complete in all material aspects at the time they were made and remain so up to the date of this letter. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach the opinion set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, the JCEs and the Purchaser, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether (a) the terms of the Disposals are on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned; and (b) the Disposals are in the interests of the Company and the Shareholders as a whole, we have taken into account the principal factors and reasons set out below:

1. Background to and reasons for the Agreements

The Group is principally engaged in the wind power sector, investing in various wind farm projects and providing wind power engineering and construction services in the PRC. It is also engaged in solar energy investment and operation. The Group's wind power businesses primarily involve (a) wind power investments and operations including, among other things, investment in wind power plants and power generation; and (b) engineering, procurement and construction which involves providing fully integrated turn-key solutions to wind farm project owners for construction of wind power projects, operation and maintenance services.

As disclosed in the 2011 annual report, the Group has adopted a "build and sell" strategy, that is, the Group builds power plants and disposes of its interest in the power plants upon completion or coming into operation of the wind farms. The Group's strength lies in its experience in building and constructing wind power plants. Upon completion of construction or coming into operation of wind power plants, the Group is well positioned at that time to negotiate for a good price for the disposal of its interests in the power plants. In this way, the "build and sell" strategy allows the Group to leverage on its strength of wind power development and wind power plant construction, while limiting the capital employed, so as to attain an enhanced return on its investments. Also, as disclosed in the Company's 2012 annual report, the Group will maintain and implement "southward development" strategy where the Group's new constructed projects will be located mainly in the southern regions.

In the opinion of the executive Directors, the Disposals represent good opportunities for the Group to realise its investments in the JCEs. Also, the Disposals are in line with the Group's business strategies as stated above.

The JCEs are principally engaged in the investment, development and operation of the wind farm projects in Zhangwu County, Liaoning Province. JCE1, JCE2 and JCE4 commenced wind farm operation in December 2009, whereas JCE3 commenced wind farm operation in August 2010.

The Purchaser is a subsidiary of China Guodian Corporation and is principally engaged in wind power, hydro power, solar power and the related development, operation and management. Based on the information available on China Guodian Corporation's website, it is one of the five largest nationwide power generation groups and its establishment was approved by the State Council of China. China Guodian Corporation is principally engaged in the development, investment, construction, operation and management of power generation, and the sales of power (and heat). It is also involved in the investment, construction, operation and management of the business relevant to its core business, such as coal, power generation equipment, new energy, transportation, high-tech, environment protection, technological services and consultancy. China Guodian Corporation has regional and provincial branch companies, subsidiary companies, research and development institutes and extensive number of power enterprises covering 31 provinces (autonomous regions and municipalities) with over 110,000 employees.

The Group entered into the Agreements with the Purchaser to dispose of a 60% equity interest in four JCEs, being the entire equity interests in the JCEs held by Century Concord.

The executive Directors estimate that, for illustrative purposes only, based on unaudited management accounts of which figures are subject to 2013 final audit and possible audit adjustments, the Group would record a total attributable gain of approximately RMB32.8 million (equivalent to approximately HK$41.3 million) as a result of the Disposals. Such gain represents the sum of (i) the difference between the consideration for the Disposals and the net asset value of the JCEs as at 28 February 2013 attributable to the 60% equity interest in the JCEs being sold by the Group (representing a deficit of the consideration under the net asset value attributable to the equity interests of JCEs being disposed of approximately RMB6.2 million); and (ii) as a result of the Disposals, the recognition of unrealised profits on previous transactions between the Group and the JCEs that were attributable to the disposal interests under the Disposals of approximately RMB39 million. The actual amount of gain or loss on the Disposals shall depend on the actual financial information of the JCEs as at the date of completion of the Disposals.

On this basis, we concur with the executive Directors' view that the Disposals represent a good opportunity for the Group to realise its investment in the JCEs at a profit. Moreover, we are of the view that the Disposals are in line with the "build and sell" strategy adopted by the Group.

2. Principal terms of the Agreements

A summary of the Agreements is set out below:

Date of the Agreements	1 March 2013			
Agreements	S&P Agreement 1	S&P Agreement 2	S&P Agreement 3	S&P Agreement 4
Equity interests to be disposed of	60% of JCE1	60% of JCE2	60% of JCE3	60% of JCE4
Vendor	Century Concord	Century Concord	Century Concord	Century Concord
Purchaser	Guodian Northeast New Energy Developments Ltd.* (國電東北新能源發展有限公司)			
Consideration for each of the Disposals under the Agreements	RMB54,813,000	RMB59,644,500	RMB54,258,600	RMB56,687,400

The total consideration for the Disposals is RMB225,403,500 (equivalent to approximately HK$284.0 million). Each of the consideration with respect to the disposal of JCE1, JCE2, JCE3 and JCE4 as set out above shall be payable by the Purchaser to Century Concord as follows:

(i) 50% of the consideration for the relevant Disposal within 30 business days after fulfilling the conditions precedent to the share transfer of the relevant JCE;

(ii) 42% of the consideration for the relevant Disposal within 10 business days after the completion of the asset inspection on the relevant JCE by the Purchaser and the share transfer of the relevant JCE in the Administration for Industry and Commerce; and

(iii) 8% of the consideration for the relevant Disposal within 10 business days after the first anniversary of the completion of the share transfer of the relevant JCE and Century Concord has fulfilled all of its representations, warranties and undertakings as set out in the relevant Agreement.

Pursuant to the Agreements, Century Concord has given a number of representations, warranties and undertakings to the Purchaser, including that as detailed below. We understand from the executive Directors that the last stage payment as set out in (iii) above is agreed among parties by taking into consideration the time required for parties to determine whether the indemnity undertakings have to be enforced. We consider that such payment arrangement is not unreasonable in arm's length commercial negotiations. Based on the above, we consider that the payment arrangement for the Disposals under the Agreements is reasonable.

Each of the Agreements will come into effect from the date when (a) the legal or authorised representatives of the parties to the relevant Agreement have signed the relevant Agreement with company chop; and (b) the Company has obtained the necessary approval(s) as required under the Listing Rules for the relevant Disposal. The Agreements have taken effect. Pursuant to the Agreements, the share transfer of the JCEs was subject to the conditions as set out under the paragraph headed "Conditions precedent and completion" under the section headed "The Agreements" in the "Letter from the Board" of the Circular. The Agreements are not inter-conditional. All the condition precedents as set out in the Agreements have been fulfilled and the share transfer of the JCEs in the Administration for Industry and Commerce has been completed.

Under the S&P Agreement 2, Century Concord has undertaken to indemnify the Purchaser in relation to the loss that JCE2 may incur in respect of some liabilities of JCE2 before the effective date of the S&P Agreement 2.

The Group has ceased to hold any equity interest in the JCEs and the financial results of the JCEs are no longer consolidated in the Group's consolidated financial statements.

Further details of the Agreements are set out in the section headed "The Agreements" in the "Letter from the Board" of the Circular.

3. Information on the JCEs

As set out in the paragraph headed "Background to and reasons for the Agreements" above of this letter, the JCEs are principally engaged in the investment, development and operation of the wind farm projects in Zhangwu County, Liaoning Province. Each wind farm has a capacity of 49.5 MW. JCE1, JCE2 and JCE4 commenced wind farm operation in December 2009, whereas JCE3 commenced wind farm operation in August 2010.

A summary of the financial information on the JCEs is set out below:

	JCE1 *(Approximately RMB million)*	**JCE2** *(Approximately RMB million)*	**JCE3** *(Approximately RMB million)*	**JCE4** *(Approximately RMB million)*
Unaudited net asset value as of 31 December 2012	100.39	102.11	88.75	99.54
Profit/(loss) (both before and after taxation) for the year ended 31 December 2010 (audited)	17.13	12.94	(0.2)	21.54
Profit (both before and after taxation) for the year ended 31 December 2011 (audited)	7.27	4.995	11.32	4.87
Profit/(loss) (both before and after taxation) for the year ended 31 December 2012 (unaudited)	(0.32)	4.95	(3.82)	1.41

Further details on the information of the JCEs are set out in the paragraph headed "Information on the JCEs" under the section headed "The Agreements" in the "Letter from the Board" of the Circular.

4. Evaluation of the consideration

(i) Historical price to earnings multiples ("PE(s)") analysis

As advised by the executive Directors, each of the consideration in relation to the Disposals has been determined after arm's length negotiations between the parties based on, among other things, the net asset value and prospects of the JCEs. In assessing the fairness and reasonableness of the consideration for the Disposals, we have made reference to the historical PEs for the Disposals. According to the unaudited financial statements of each of the JCEs, the sum of profit/loss after taxation for the year ended 31 December 2012 of the four JCEs amounted to approximately RMB2.22 million (being the sum of approximate loss of RMB0.32 million for JCE1, profit of RMB4.95 million for

JCE2, loss of RMB3.82 million for JCE3 and profit of RMB1.41 million for JCE4). Based on the total consideration for the Disposals of RMB225,403,500 for the 60% equity interest in the JCEs, the entire equity interests of the four JCEs are valued at an aggregate of approximately RMB375.67 million. On this basis, the historical PE for the Disposals is approximately 169.22 times.

In evaluating the consideration for the Disposals, we have searched all comparable companies listed on the Main Board of the Stock Exchange which are principally engaged in wind farm business (with revenue generated from wind farm business contributing over 50% of its total revenue in the latest financial year) by reference to their latest published 2012 annual reports with a market capitalisation of HK$1,000 million or above as at the Latest Practicable Date. Based on such criteria, we have identified the following complete list of comparable companies (the "Comparable Companies") on a best efforts basis:

Company name	**Market capitalisation as at the Latest Practicable Date** *(Note 1)* *HK$ million*	**Audited consolidated net profits attributable to its shareholders** *(Note 2)* *HK$ million*	**Historical PE** *(Note 3)* *Approximate times*
China Datang Corporation Renewable Power Co., Limited ("China Datang") (stock code: 1798)	12,897.7	141.31	91.27
Huaneng Renewables Corporation Limited ("Huaneng") (stock code: 958)	22,384.3	703.00	31.84
Mean			**61.56**
The Company	**2,107.6**	**40.39**	**52.18**
The Disposals			**169.22**

Notes:

1. Source: Bloomberg

2. The figures are extracted from the latest published 2012 annual reports of the Comparable Companies and the Company, and, where applicable, the amounts in Renminbi are translated into HK$ at the exchange rate of RMB1 to HK$1.26.

3. The historical PEs of the Comparable Companies and the Company are calculated based on their respective audited consolidated net profit attributable to its shareholders for the year ended 31 December 2012 and its closing market capitalisation as at the Latest Practicable Date.

As indicated in the table above, the historical PEs of the Comparable Companies ranged from approximately 31.84 times to 91.27 times, with a mean of approximately 61.56 times. The historical PE of the JCEs of approximately 169.22 times represented by the consideration for the Disposals is significantly higher than both of the historical PEs of the Comparable Companies and the mean. The historical PE of the Company itself of approximately 52.18 times is significantly lower than the historical PE of the JCEs represented by the consideration for the Disposals of approximately 169.22 times.

As illustrated in the analysis of historical PEs of the Comparable Companies above, the historical PE of the JCEs represented by the consideration for the Disposals of approximately 169.22 times is substantially higher than the range of historical PEs of the Comparable Companies. The high historical PE of the JCEs represented by the consideration for the Disposals of approximately 169.22 times was mainly due to a significant deterioration of results of the JCEs for the year ended 31 December 2012. As illustrated in the sub-section headed "Information on the JCEs" of this letter, the four JCEs recorded profits for the year ended 31 December 2011 with a sum of profit after taxation of the four JCEs amounted to approximately RMB28.455 million (being the sum of approximately RMB7.27 million for JCE1, RMB4.995 million for JCE2, RMB11.32 million for JCE3 and RMB4.87 million for JCE4). The sum of profit/loss after taxation for the year ended 31 December 2012 of the four JCEs of approximately RMB2.22 million represented a decrease of approximately 92.2% compared to that of 2011. We also note that there was a deterioration of results of the Comparable Companies for the year ended 31 December 2012. As shown in the latest published 2012 annual reports of the Comparable Companies, the audited consolidated net profits attributable to its shareholders of China Datang and Huaneng decreased by approximately 85% and 45% respectively as compared to that of 2011. The results of the Comparable Companies have deteriorated in 2012, but with a lesser extent as that of the four JCEs. For illustrative purposes, based on the total consideration for the Disposals of RMB225,403,500 for the 60% equity interest in the JCEs and the sum of profit after taxation of the four JCEs for the year ended 31 December 2011 of approximately RMB28.455 million, the historical PE for the Disposals would have been approximately 13.20 times. Based on the respective market capitalisation of China Datang and Huaneng as at the Latest Practicable Date and the respective audited consolidated net profits attributable to its shareholders for the year ended 31 December 2011 of approximately RMB729.8 million (equivalent to approximately HK$919.5 million) and RMB1,023.0 million (equivalent to approximately HK$1,289.0 million), the historical PE for China Datang and Huaneng would have been approximately 14.03 times and 17.37 times respectively. This illustrates that the historical PE of both the Comparable Companies and the Disposals would be back at a lower level as compared to that of 2012.

In view of the exceptionally high historical PE of the Disposals of 169.22 times as compared to that of the Comparable Companies and the reasons as explained above, we consider that such historical PE analysis may not provide meaningful analysis on its own and cannot be solely relied on. Therefore, we have performed further analysis using historical price to book multiples and also made reference to the independent business valuation of the JCEs, details of which are set out below.

(ii) Historical price to book multiples ("PBR(s)") analysis

In addition to the historical PE analysis above, we have performed historical PBR analysis on the Comparable Companies to assess the fairness and reasonableness of the consideration for the Disposals. According to the unaudited financial statements of each of the JCEs, the sum of net assets value attributable to the equity holders as at 31 December 2012 of the four JCEs amounted to approximately RMB390.79 million (being the sum of approximately RMB100.39 million for JCE1, RMB102.11 million for JCE2, RMB88.75 million for JCE3 and RMB99.54 million for JCE4). Based on the total consideration for the Disposals of RMB225,403,500 for the 60% equity interest in the JCEs, the entire equity interests of the four JCEs are valued at an aggregate of approximately RMB375.67 million. On this basis, the historical PBR for the Disposals is approximately 0.96 time.

Comparable Companies

Company name	**Market capitalisation as at the Latest Practicable Date** *(Note 1)* *HK$ million*	**Audited consolidated net assets attributable to its shareholders** *(Note 2)* *HK$ million*	**Historical PBR** *(Note 3)* *Approximate times*
China Datang (stock code: 1798)	12,897.7	11,107.82	1.16
Huaneng (stock code: 958)	22,384.3	14,893.25	1.50
Mean			**1.33**
The Company	**2,107.6**	**4,454.01**	**0.47**
The Disposals			**0.96**

Notes:

1. Source: Bloomberg

2. The figures are extracted from the latest published 2012 annual reports of the Comparable Companies and the Company, and, where applicable, the amounts in Renminbi are translated into HK$ at the exchange rate of RMB1 to HK$1.26.

3. The historical PBRs of the Comparable Companies and the Company are calculated based on their respective audited consolidated net assets attributable to its shareholders as at 31 December 2012 and its closing market capitalisation as at the Latest Practicable Date.

As indicated in the table above, the historical PBRs of the Comparable Companies ranged from approximately 1.16 times to 1.50 times, with a mean of approximately 1.33 times. The historical PBR of the Company was approximately 0.47 time. The historical PBR of the JCEs of approximately 0.96 time represented by the consideration for the Disposals is lower than the historical PBRs of the Comparable Companies but substantially higher than the historical PBR of the Company. Despite the fact that the historical PBR of the JCEs represented by the consideration for the Disposals is lower than the historical PBRs of the Comparable Companies, we consider that the Disposals represent good opportunities for the Group to realise its investments in the

JCEs as the historical PBR of the JCEs of approximately 0.96 time represented by the consideration for the Disposals is substantially higher than the historical PBR of the Company.

(iii) Independent business valuation of the JCEs

The Company has engaged Vigers, an independent appraisal company, to conduct a business valuation of the JCEs as required under the Listing Rules. In assessing the fairness and reasonableness of the consideration for the Disposals, we have also made reference to this independent business valuation. We have interviewed Vigers regarding its expertise and understand that Vigers is an established professional asset valuer. Moreover, Vigers have been involving in special assets and business valuation for companies in Hong Kong, the PRC and Asian for internal reference or listing purpose on the Stock Exchange and Singapore Stock Exchange since 1980s. We understand that the person in-charge for the valuation of the JCEs has over twenty five years experience in undertaking valuation of properties, intangible and business in Hong Kong, Macau and the PRC and has extensive experience in business valuation in the Greater China region since 1993, whereas another key personnel involved in this valuation has over fourteen years experience in business valuation. We have also reviewed the terms of Vigers' engagement and noted that the scope is to prepare a valuation report and provide the Company with the opinion of value on the JCEs.

As stated in Vigers' valuation report dated 25 June 2013, the market value of 100% of the equity interest in the JCEs is valued at approximately RMB367.7 million (equivalent to approximately HK$463.3 million) as at 1 March 2013. Accordingly, the market value of 60% of the equity interest in the JCEs (being the percentage of equity interest in the JCEs being disposed of by the Group under the Disposals) would be approximately RMB220.6 million (equivalent to approximately HK$278.0 million) on an attributable basis. The full text of Vigers' valuation report is set out in Appendix I to the Circular. The total consideration for the Disposals amounts to approximately RMB225.4 million, representing a premium of approximately 2.2% over the attributable market value of 60% of the JCEs in an amount of approximately RMB220.6 million as appraised by Vigers as at 1 March 2013.

As set out in Vigers' valuation report and also based on our discussions with Vigers, in arriving at their opinion of value, Vigers made reference to three generally accepted approaches to value, namely the market approach, the cost approach and the income approach. As stated in Vigers' valuation report, the income approach would have limitation in this case mainly because the Company may not be able to forecast the future cash flow of the JCEs. As advised by the Company, the grid capacity may not fully absorb the wind power supplied from the JCEs and the amount of electricity to be purchased would be subject to the discretion of the grid company's policy. Cost approach will not be considered by Vigers since it fails to consider the on-going operation of the JCEs for a long period of time.

Vigers has adopted the market approach in this valuation. The market approach considers prices recently paid for similar assets, with adjustments made to indicate market prices to reflect condition and utility of the appraised assets relative to the comparable market transactions. Market approach has the merit of reflecting the going concern of the JCEs, the market information and sentiment on the valuation date. Vigers adopted the price to book value multiple ("P/B") as an appropriate valuation method for the valuation of the JCEs, since (1) construction and development of the wind farm projects of the JCEs have been completed; and (2) the JCEs' earnings in 2012 may not represent their normal operating status.

Given the above and as stated in Vigers' valuation report, Vigers adopts the market approach by using P/B multiple in the valuation of the JCEs, and we concur in this regard.

As stated in Vigers' valuation report, the valuation is derived from applying (i) an estimated P/B of a selected group of listed companies with same or similar business as the valuation subjects, adjusted for the uniqueness of the subject being appraised; and (ii) the book value of the JCEs in the management accounts provided by the Company for the year ended 31 December 2012 with adjustment, if appropriate. We have reviewed and discussed with Vigers the methodology of, key basis and assumptions adopted for the valuation. A list of information reviewed, major assumptions and considerations made by Vigers are set out in Vigers' valuation report. As stated in Vigers' valuation report, the P/B multiple inferred by the comparables represents the value of equity interest in a freely transferrable status. Since the JCEs are closely held whose shares cannot be freely traded in the market, and are assumed to have definite operating period, the value of the JCEs need to be adjusted for its uniqueness to arrive at the appraised market value.

Based on our discussions with Vigers and our understanding of the work conducted by Vigers, we consider that, the assumptions, basis and the methodology adopted for the business valuation of the JCEs are fair and reasonable. Based on (i) the appraised market value of 100% of the equity interest in the JCEs of approximately RMB367.7 million; and (ii) the sum of unaudited net assets value attributable to the equity holders as at 31 December 2012 of the four JCEs amounted to approximately RMB390.79 million, the historical PBR of the JCEs is approximately 0.94 time, which is similar to the historical PBR of the JCEs of approximately 0.96 time represented by the consideration for the Disposals as set out in our historical PBR analysis above.

Although the historical PBR of the JCEs represented by the consideration for the Disposals is lower than the historical PBRs of the Comparable Companies, it is substantially higher than the historical PBR of the Company. Moreover, on the basis that (a) the Disposals represent a good opportunity for the Group to realise its investments in the JCEs and the Group would expect to record a total estimated gain on the Disposals of approximately HK$41.3 million; (b) the grid capacity may not fully absorb the wind power supplied from the JCEs. Therefore, the Disposals are in line with the Group's key business strategies to improve quality of its assets; and (c) the total consideration for the Disposals represented a premium of approximately 2.2% over the attributable market value of 60% of the JCEs in an amount of approximately RMB220.6 million as appraised by Vigers as at 1 March 2013, we are of the view that the consideration for the Disposals is fair and reasonable.

5. Financial effects of the Disposals on the Group

(a) Earnings

Based on the unaudited consolidated net asset value of the JCEs as at 28 February 2013 attributable to the 60% equity interest in the JCEs being sold by the Group, the executive Directors expect that, based on unaudited management accounts which are subject to final audit and possible audit adjustments, the Group would record a total attributable gain of approximately RMB32.8 million (equivalent to approximately HK$41.3 million) as a result of the Disposals. Such gain will be reflected in the profit and loss account of the Group for the year ending 31 December 2013. The actual amount of gain or loss on the Disposals to be recognised by the Group, which will depend on final audit and possible audit adjustments, may be different from the above figures, but is not expected to be materially different as advised by the executive Directors.

The Group has ceased to hold any equity interest in the JCEs and the financial results of the JCEs are no longer consolidated in the Group's consolidated financial statements.

(b) Net asset value

As discussed in the sub-paragraph headed "Earnings" above, gains are expected to be recorded by the Group in an aggregate amount of approximately HK$41.3 million. On this basis, the executive Directors estimate that, subject to final audit and possible audit adjustments, the consolidated net asset value of the Group attributable to the equity holders of the Company will increase by approximately HK$41.3 million, which represents the estimated gains on the Disposals. We consider the increase in consolidated net assets of the Group of approximately HK$41.3 million as a result of the Disposals is beneficial to the Group and the Shareholders as a whole.

As stated above, the Group has ceased to hold any equity interest in the JCEs and accordingly, assets and liabilities of the JCEs are no longer consolidated into the consolidated balance sheet of the Company.

(c) Cashflow

As advised by the executive Directors, the Company intends to use the proceeds from the Disposals as general working capital of the Group. In view of the proceeds available to the Group after the Disposals, we are of the view that the cashflow position of the Group would be enhanced.

On this basis, we consider that the Disposals are, from a financial perspective, in the interests of the Company and the Shareholders as a whole.

DISCUSSION AND ANALYSIS

The Group has adopted a "build and sell" and "southward development" strategy. It considers its chief strength lies in its ability to develop and commission wind farms. Once they come into operation, the Group may negotiate for a disposal to realise a gain and free capital to plough back into further development projects, thus enhancing its return on investment.

The Disposals are a good example of this strategy. The Purchaser, a subsidiary of the substantial China Guodian group, is a suitable purchaser. It is expected the Group would record a total gain on the Disposals of approximately HK$41.3 million, and the total consideration will be approximately HK$284.0 million in cash resulting in an enhanced cashflow position for the Group.

The total consideration for the Disposals also represents a premium over the attributable market value of the JCEs as appraised by Vigers. Despite the fact that the historical PBR of the JCEs represented by the consideration for the Disposals is lower than the historical PBRs of the Comparable Companies, we consider that the Disposals represent a good opportunity for the Group to realise its investments in the JCEs as the historical PBR of the JCEs of approximately 0.96 time represented by the consideration for the Disposals is substantially higher than the historical PBR of the Company. Moreover, as explained above, the Disposals can improve the quality of the Group's assets.

OPINION

Having taken into account the above principal factors and reasons, although the Disposals are not in the ordinary and usual course of business of the Company, we consider that (1) the terms of the Disposals are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (2) the Disposals are in the interests of the Company and the Shareholders as a whole.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Richard Leung
Director

* *The English translation of the Chinese name is included in this letter for identification purpose only and should not be regarded as its official English translation. In the event of any inconsistency, the Chinese name prevails.*

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

10th Floor, The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong

Date: 25 June 2013

The Directors
China WindPower Group Limited
Unit 3901, 39/F.,
Far East Finance Centre,
16 Harcourt Road,
Admiralty, Hong Kong

Dear Sirs/Madams,

BUSINESS VALUATION OF FUXIN JULONGHU WIND POWER CO., LTD., FUXIN QIANFOSHAN WIND POWER CO., LTD., FUXIN JUYUAN WIND POWER CO., LTD. AND FUXIN JUHE WIND POWER CO., LTD.

In accordance with the instruction from China WindPower Group Limited (the "Group"), we have carried out business valuation of Fuxin Julonghu Wind Power Co., Ltd., Fuxin Qianfoshan Wind Power Co., Ltd., Fuxin Juyuan Wind Power Co., Ltd. and Fuxin Juhe Wind Power Co., Ltd. (collectively known as the "Subjects") as at 1 March 2013 (the "Valuation Date"). The purpose of this report is to provide an independent opinion on the market value of the equity interest in the Subjects as of the Valuation Date. We understand this valuation is required for possible transfer.

SCOPE OF VALUATION

The Subjects

This appraisal is to provide an independent opinion of value on 100% of the equity interest in Fuxin Julonghu Wind Power Co., Ltd., 100% of the equity interest in Fuxin Qianfoshan

Wind Power Co., Ltd., 100% of the equity interest in Fuxin Juyuan Wind Power Co., Ltd., and 100% of the equity interest in Fuxin Juhe Wind Power Co., Ltd.

BACKGROUND OF THE SUBJECTS

Fuxin Julonghu Wind Power Co., Ltd.

Fuxin Julonghu Wind Power Co., Ltd. was established on 9 February 2009, with registered capital of RMB100 million (Business License number: 210922004008195). The company operates a wind farm Zhangwu County, Liaoning Province of the PRC. The wind farm has a designed production capacity of 49.5 MW.

Fuxin Qianfoshan Wind Power Co., Ltd.

Fuxin Qianfoshan Wind Power Co., Ltd. was established on 15 July 2009, with registered capital of RMB100 million (Business License number: 210922004009464). The company operates a wind farm Zhangwu County, Liaoning Province of the PRC. The wind farm has a designed production capacity of 49.5 MW.

Fuxin Juyuan Wind Power Co., Ltd.

Fuxin Juyuan Wind Power Co., Ltd. was established on 17 November 2009, with registered capital of RMB100 million (Business License number: 210922004011677). The company operates a wind farm Zhangwu County, Liaoning Province of the PRC. The wind farm has a designed production capacity of 49.5 MW.

Fuxin Juhe Wind Power Co., Ltd.

Fuxin Juhe Wind Power Co., Ltd. was established on 18 November 2009, with registered capital of RMB100 million (Business License number: 210922004011693). The company operates a wind farm Zhangwu County, Liaoning Province of the PRC. The wind farm has a designed production capacity of 49.5 MW.

Wind power business in China

China's economy has been growing fast in recent years. During the 11th Five-year Plan, GDP of China has grown at an average of about 11% per year. The government also planned and expected to maintain an average annual GDP growth of about 8% during the 12th Five-year Plan. The high growth generates huge demand for energy. While fossil fuels form a major energy source, the Chinese government has greatly supported the development of clean and renewable energy, aiming to reduce greenhouse emission, to lower pollution and to reduce its reliance on fossil fuels. Among which wind power has a significant contribution, which represented about 3% of the total power generation capacity in 2010, according to the statistics from National Energy Administration. It is planned and expected that non-fossil fuel energy production will contribute over 11% of total energy production by the end of the 12th Five-year Plan, which shows a large room for the development of renewable energy, including wind power. The Chinese government has introduced several measures, for example, tax benefits, higher tariff rates, etc., to companies engaging in production and development of clean and renewable energy. In 2011, new wind turbines of total 17.6 gigawatts have been installed, and the total installed capacity reached 62 gigawatts. The Chinese government aims to have 100 gigawatts of on-grid wind power generating capacity by the end of 2015. But the rapid development of wind farms in recent years has generated a problem that the power grid development cannot catch up, leading to grid congestion. Combined with the slowing down of the economy in 2012, it has reduced the utilization rate of the wind farms.

With the stabilization of the economy, the government's effort to maintain sustainable growth in the future by reducing pollution, the government's support on a planned increase in the contribution from renewable energy, and continuous development in power transmission network, development of wind power industry is expected to continue.

In forming our view on the prospect of the wind power business in China, we have taken into account of the future development of wind power industry, general economic outlook, as well as government policy.

BASIS AND METHODOLOGY OF VALUATION

We have made reference to the international valuation standards. Our appraisal has been carried out on a market value basis. ***Market Value*** is defined as the estimated amount for which an asset should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

In arriving at our opinion of value, we make reference to three generally accepted approaches to value, namely: the ***Market Approach***, the ***Cost Approach*** and the ***Income Approach***.

Market Approach considers prices recently paid for similar assets, with adjustments made to indicate market prices to reflect condition and utility of the appraised assets relative to the comparable market transactions.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation as condition or obsolescence present, whether arising from physical, functional or economic causes.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for asset than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent asset with similar risk.

Determination of the Valuation Approach

Market approach is considered in this valuation. As per discussion, the management advised that the grid capacity may not fully absorb the wind power supplied from the Subjects. The amount of electricity to be purchased would be subject to the discretion of the Grid company policy. In this circumstance, the management may not able to forecast the future cash flow of the Subjects. Secondly, according to the unaudited results for the Subjects for FYE Dec 2012, two companies reported losses, which suggested that the current cash flow level may not attend to their normal operation status. We therefore observed the Income approach would have limitation in this case. Cost approach will not be considered since it fails to consider the on-going operation of the Subjects for a long period of time. Market approach has the merit of reflecting the going concern of the Subjects, the market information and sentiment on the Valuation Date. However, we also noted that the Subjects' current earnings basis may not reflect their normal operating capacity. Therefore, we may be required to extend our consideration to market multiples other than earnings basis. In this circumstance, through selecting appropriate multiples, Market approach can still be considered as better approach than the others.

Information Reviewed

Our valuation requires consideration of all relevant factors affecting the operation of the business and its ability to generate future investment returns. The factors considered in the valuation included, but were not limited to, the followings:

- The business nature of the Subjects, business and tax licenses and related documents;
- Management accounts of the Subjects provided by the Group as at 31 December 2012;
- Discussion with management in relation to the current status and the future business development of Subjects;

- The economic outlook in general and the specific industry outlook where the Subjects are engaged in, the competitors in the industry, and competitive advantages and disadvantages of the Subjects;

- Relevant operational and financial information in relation to the Subjects, such as operational performance indicators and descriptions, research on background of other comparable companies, their business profiles, financial results, etc.

We have reviewed the information required, which is considered sufficient for the issue of the valuation report of the type in question and we believe no material factor has been intentionally omitted or withheld from the given information in order to reach an informed view.

Valuation Method

We consider that the use of the price to book value multiple ("P/B") is an appropriate valuation method for the valuation of the Subjects.

The valuation is derived from applying (i) an estimated P/B of a selected group of listed companies with same or similar business as the subjects, adjusted for the uniqueness of the subject being appraised, (ii) the book value of the Subjects in the management accounts provided by the management for the year ended 31 December 2012 with adjustment, if appropriate.

To arrive at our opinion of value, we have considered the following factors:

- The business nature and operation history of the Subjects;

- The economic outlook and the specific industry outlook where the Subjects are engaged in;

- Discussion with the management on the nature of the balance sheet items of the Subjects;

- Specific risks or conditions associated with the Subjects.

Assumptions

Assumptions considered to have significant sensitivity effects in this valuation were evaluated and validated in order to provide a more accurate and reasonable basis for arriving at our assessed value. Based on our experience in valuing business of similar nature, we consider the assumptions made in this valuation report to be reasonable.

Our major assumptions are listed as follows:

- There will be no material adverse change in the political, legal, fiscal or economic condition in the PRC and other regions in which the Subject carry on their business;

- The Subjects will retain their key management, competent personnel and technical staff to support their ongoing operation;

- Market trend and conditions in the areas where the Subjects operate will not deviate significantly from the economic forecast in general;

- It was assumed that the general management practice of the Subjects before and after the transfer of the equity interests, including but not limited to accounting policy and dividend policy, will not have significant difference;

- The valuation assumed that the Subjects will operate till the end of their corresponding license periods.

We have assumed the reasonableness and correctness of information provided and relied to a considerable extent on such information in arriving at our opinion of value.

Valuation Considerations

Our investigation has considered valuation multiple, such as P/E multiple, P/EBITDA multiple, and P/B multiple. We consider P/B multiple as the appropriate method to assess the market value of the equity interests of the Subjects, since the Subjects' earnings in 2012 may not be represent their normal operating status.

In the construction of comparables, we have considered the following factors in order to provide appropriate comparison basis. Firstly, the comparables shall be in the same industry as the Subjects. We thus have selected companies which are engaged in wind power industry. Companies which are engaged in generation of other renewable energy, such as hydroelectricity, solar power, etc., and related business, are not included, since it may be difference for companies between wind power industry and other renewable energy industry, in terms of operation, revenue and cost structure, government policy, future development, etc. Secondly, as the major business of the Subjects is operation of wind farms, we have also excluded companies which are not engaged in operation of wind farm, e.g. manufacture of wind turbine. To provide better comparison basis, those companies which do not have major revenue from sales of wind power and related income are also excluded. And we have considered companies which have their operation majorly in the PRC, which are the same as those of the Subjects. It is thus able to reduce any discrepancies to the valuation arising from country factor, government policies, taxation treatment, development prospect of the industry, etc.

On the other hand, we will also make adjustment on the conclusion of P/B multiple, where appropriate, to reflect the lack of marketability of the Subject's interests, differences between the operating lives of the Subjects' projects and the comparables, or other factors which may affect the value of the Subjects.

Analysis of comparables

Our first step is to identify the relevance of the business engaged by the comparable companies. We will not consider those companies which are not mainly engaged in the business of wind farm operation. After this, we will further investigate on the balance sheet items of the comparables, and to adjust for any non-operating items on the balance sheet, so to arrive at an operating net book value for the estimation of the P/B multiple.

Having considered the above, we observed that China Longyuan Power Group Corp., Huaneng Renewables Corp., Ltd., and China Datang Corp. Renewable Power Co., Ltd. can provide better reference on the P/B multiple. Below are the details of the findings:

Company name	Bloomberg Stock code	P/B multiple
China Longyuan Power Group Corp	916 HK Equity	1.56
Huaneng Renewables Corp Ltd	958 HK Equity	1.20
China Datang Corp Renewable Power Co Ltd	1798 HK Equity	1.14
Average		1.30

An average P/B multiple of about 1.30x is observed from the comparables. Since the value inferred from the above said multiple represents the operating value of the Subjects, the resulting value is required to be adjusted for non-operating items of the Subjects.

The P/B multiple inferred by the comparables represents the value of equity interest in a freely transferrable status. The Subjects, however, are closely held whose shares cannot be freely traded in the market. Marketability discount of 20% is thus added to reflect the lack of marketability of the equity interest of the Subjects. In addition, as the comparables are viewed to have indefinite operating lives in the market, while the Subjects are assumed to have definite operating period as stated on their business licenses, an additional discount of 15% is considered for this issue.

OPINION OF VALUE

Based on the aforesaid investigation, analysis and appraisal method employed, it is our opinion that, as of 1 March 2013, the market value of 100% of the equity interest in the Subjects can be reasonably and approximately stated as RMB367.66 Million (RMB367,660,000).

The opinion of value was based on generally accepted appraisal procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Although it is reasonable for the assumptions and the consideration of the uncertainties, the opinion of value may be affected by any major uncertainties on business or operation, economy, competition, and contingencies which are outside control of the Subjects.

The opinion was based on the management discussion, assumptions and representations, in oral or writing. The projection or estimates set out in the valuation formed part of the assumptions. We were furnished with limited financial information and other documents germane to the valuation. These data had been utilized without further verification as correctly representing the results and future prospects of the operation and the financial condition of the subject. No responsibility is assumed for the accuracy of the provided information. The opinion of value is subject to change if any of the assumptions provided by the management is not reasonably or properly made, and we reserve the right to change or withdraw our opinion without any liabilities.

This report is restricted to the client for the specific purpose to which it refers, and should not be the only factor to be referred by the client. We have not been engaged to make specific sales or purchase recommendation. The use of the report will not supplant other due diligence which the company or the concerned parties should conduct in reaching business decision regarding the subject of valuation.

The valuation procedure did not require us to conduct legal due diligence on the legality and formality of the subject and its related legal documents, and it should be the responsibility of the legal advisor to the management of the company. Thus, no responsibility or liability is assumed from our report to the origin and continuity of the subject. We have not inspected the original documents filed in the relevant authorities to verify ownership of the subject. We need to state that we are not legal professional and are not qualified to ascertain the titles and to report any encumbrances that may be registered against the subject. No responsibility or liability is assumed in relation to those opinions or copies of document provided (if any).

In accordance with our standard practice, this report is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of the contents of this report.

We hereby certify that we have neither present nor prospective interests in the assets or the value reported.

Yours faithfully,

For and on behalf of
VIGERS APPRAISAL & CONSULTING LTD.

Raymond Ho Kai Kwong
Registered Professional Surveyor
Registered PRC Real Estate Appraiser
MRICS, MHKIS, MSc (e-com)
Managing Director

Favian Kam Man Yin
Chartered Financial Analyst
CFA, MBA
Executive Director

Note: Raymond K. K. Ho, Registered Professional Surveyor, Registered PRC Real Estate Appraiser, MRICS, MHKIS, RPS, MSc (e-com), has over twenty five years experience in undertaking valuation of properties, intangible and business in Hong Kong, Macau and the PRC and has extensive experience in business valuation in the Greater China region since 1993. Favian M. Y. Kam, CFA, has over 14 years' experience in business valuation.

LIMITING CONDITIONS

1. Vigers Appraisal & Consulting Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this assessment, with reference to the project described herein, unless prior arrangements have been made.

2. No opinion is intended to express for matters that require legal or other specialized expertise or knowledge, beyond that customarily employed by valuers.

3. As part of our analysis, we have reviewed financial and business information from public sources together with such financial information, project documentation and other pertinent data concerning the project as has been made available to us. Such information was provided by the client and related parties acting in concert. We assumed such information reliable and legitimate. We have relied to a considerable extent on such information provided in arriving at our opinion of value.

4. Our conclusions assume a continuation of prudent management policies over whatever period of time which is believed reasonable and is necessary to maintain the character and integrity of the assets valued.

5. We assume that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions which may require an adjustment in the assessment.

6. Neither the whole nor any part of this report and assessment, nor any reference thereto, may be included in any document, circular or statement without our written approval of the form and content in which it will appear.

7. This report is confidential to the client for the specific purpose to which it refers. In accordance with our standard practice, we must state that this report and assessment is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

GENERAL SERVICE CONDITIONS

The service(s) provided by Vigers Appraisal & Consulting Limited will be performed in accordance with professional appraisal standard. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us. We will act as an independent contractor and reserve the right to use subcontractors. All files, working papers or documents developed by us during the course of the engagement will be our property. We will retain this data for as long as we wish.

Our report is to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subjects in connection with this engagement. You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of Vigers Appraisal & Consulting Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written.

INDEBTEDNESS

Borrowings

As at the close of business on 30 April 2013, being the latest practicable date for the purpose of this statement of indebtedness, the Group had the following outstanding borrowings:

1. Renminbi denominated guaranteed bonds (the "Bonds") with the Company as issuer and certain of the Company's subsidiaries as guarantors (being subsidiaries of the Company which provide a guarantee for the payment of the Bonds provided that such subsidiaries will not include any subsidiaries of the Company established under the laws of the PRC) in a principal amount of RMB750,000,000 with a term of three years, which are listed on the Singapore Exchange Securities Trading Limited, with a fixed rate of 6.375% per annum. The Bonds will mature on 4 April 2014.

2. Certain subsidiaries of the Group have arranged for credit facilities with China Development Bank, Agricultural Bank of China and Central Pacific Bank in relation to the Group's working capital requirements. Certain subsidiaries of the Group had an aggregate loan balance of approximately RMB741,999,000 as at the close of business on 30 April 2013. The Company has provided corporate guarantees with respect to these loans.

3. As at the close of business on 30 April 2013, there was bank loan from Hang Seng Bank (China) of RMB49,300,000 for the mortgage of office building of the Group.

4. As at the close of business on 30 April 2013, there was bank loan from China Everbright Bank of RMB639,000 for the mortgage of equipment of the Group.

Contingent liabilities and pledge of assets

1. As at the close of the business on 30 April 2013, the Group had entered into a joint venture agreement with a joint venture partner in the PRC pursuant to which the Group holds a 49% equity interest in a sino-foreign equity joint venture with limited liability in the PRC, under the name of 二連浩特長風協合風能開發有限公司 (Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd.*). As at 30 April 2013, pursuant to a loan agreement dated 11 May 2009, Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. had a loan balance of RMB102,361,300 with China Construction Bank. As at the close of the business on 30 April 2013, the Group had pledged its share of the equity interest in Erlianhaote Changfeng Century Concord Wind Power Exploiture Co., Ltd. with a total value of its share of registered capital held by the Group of RMB37.24 million as security for the bank loan.

2. As at the close of the business on 30 April 2013, 吉林協合電力工程有限公司 (Jilin CWP Power Engineering Co., Ltd.*), a wholly-owned subsidiary of the Company, had a loan balance of RMB49,300,000 with Heng Seng Bank (China) pursuant to a loan agreement dated 30 June 2010. As at the close of the business on 30 April 2013, Jilin CWP Power Engineering Co., Ltd. has pledged land and building with a net carrying value of approximately RMB147.8 million as security for the bank loan.

3. As at the close of the business on 30 April 2013, 吉林省天合風電設備有限公司 (Jilin Tianhe Wind Power Equipment Co., Ltd.*), a wholly-owned subsidiary of the Company, had a loan balance of RMB639,000 with China Everbright Bank. As at the close of the business on 30 April 2013, Jilin Tianhe Wind Power Equipment Co., Ltd. had pledged equipment with a net carrying value of approximately RMB8.6 million as security for the bank loan.

4. As at the close of business on 30 April 2013, pursuant to a deed of guarantee entered into between the Company and International Finance Corporation ("IFC") on 2 July 2010, the Company has provided the guarantee in favour of IFC in relation to an loan agreement entered into between (i) 甘肅瓜州協合風力發電有限公司 (Gansu Guazhou Century Concord Wind Power Co., Ltd.*) ("Guazhou Company"),, a jointly controlled entity of the Group and (ii) IFC on 30 June 2010 (as amended by a supplemental agreement dated 3 November 2010) in respect of the provision of a loan from IFC to Guazhou Company in a principal amount of up to US$140 million (the "IFC Loan Agreement"). The Company has agreed to provide corporate guarantee the payment of principal amounts and interest accrued from the loan under the IFC Loan Agreement, as well as to provide certain indemnities to IFC.

* *for identification purpose only*

As collateral, the Company provided IFC with a pledge on 49% of equity interest in Guazhou Company held by its subsidiary, CWP Holdings Limited. In addition, the Company is also subject to certain general covenants that are similar to those that Guazhou Company are subject to.

5. As at the close of business on 30 April 2013, 德令哈協合光伏發電有限公司 (Delingha Century Concord Photovoltaic Power Co., Ltd.*), a wholly-owned subsidiary of the Company, obtained a bank loan amounting to RMB404,000,000 from China Development Bank. As at the close of business on 30 April 2013, Delingha Century Concord Photovoltaic Power Co., Ltd. had pledged equipment, land or structures erected thereon with a net carrying value of approximately RMB514,186,000 as security for the bank loan.

6. As at the close of business on 30 April 2013, pursuant to a security agreement entered into between 太仆寺旗聯合風力發電有限公司 (Taipusiqi Union Wind Power Co., Ltd.*) ("Taipusiqi Union", a jointly controlled entity owned as to 51% by Century Concord) and Shanghai Ronglian Leasing Shares Co. Ltd.* (the "Lessor") on 18 December 2012, Taipusiqi Union has pledged its tariff collection rights in favour of the Lessor as security for its amount payable under an finance lease agreement (the "Finance Lease Agreement") entered into between Taipusiqi Union and the Lessor on 18 December 2012, pursuant to which Taipusiqi Union has agreed to sell certain machinery and equipment for the operation of the wind farm project to the Lessor at a consideration of RMB250 million and the Lessor has agreed to lease back the machinery and equipment to Taipusiqi Union for a term of three years.

   As at the close of business on 30 April 2013, pursuant to a guarantee agreement entered into between Century Concord and the Lessor dated 18 December 2012, Century Concord as a shareholder of Taipusiqi Union has agreed to provide a guarantee in favour of the Lessor for, including but not limited to, the unpaid principal, interest payment, tax payment, handling charge, deposit, interest penalty, compensation or other payables by Taipusiqi Union under the Finance Lease Agreement according to its equity interest in Taipusiqi Union as to 51%.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any other debt securities issued and outstanding, outstanding loan capital issued or agreed to be issued, loans or other indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), debentures, mortgages, charges, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 30 April 2013.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In 2013, solar power shall become one of the Group's core businesses. The Group will increase its investments in the solar power projects to capture the relatively higher returns in solar energy projects. Besides, the Group shall also improve the efficiency of the power plants operation and to strengthen production safety management, increase the technical operational standard of power plants and adopt various effective measures to improve the utilization hours of the power plants and reduce the loss caused by curtailment.

In 2013, the Group will put more effort on project approval, strive to achieve more than 900MW of approvals and increase investments and constructions of wind power projects in the South and solar power projects. As an emerging strategic and sunrise industry, the Company is of the view that the development of renewable energy industry has a bright future, and through the implementation of above business strategies the Group expects to achieve a long term sustainable development.

WORKING CAPITAL

Taking into account the expected completion of the Disposals and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

1. 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 Company. 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.

2. DISCLOSURE OF INTEREST

(i) Directors' and chief executives' interests and/or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the following Directors had interests in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange:

(a) Long positions in the Shares:

	Number of Shares held and nature of interest				
Name of the Director	**Personal**	**Family**	**Corporate**	**Total**	**Approximate percentage of the total issued share capital** *(%)*
Liu Shunxing	—	—	2,132,229,387[1,2]	2,132,229,387	28.83
Ko Chun Shun, Johnson	—	—	2,000,000,000[3]	2,000,000,000	27.04

	Number of Shares held and nature of interest				
Name of the Director	Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital *(%)*
Wang Xun	—	—	2,023,469,387[1]	2,023,469,387	27.36
Yang Zhifeng	—	—	2,023,469,387[1]	2,023,469,387	27.36
Liu Jianhong[4]	1,210,000	—	2,023,469,387[1]	2,024,679,387	27.38
Ko Wing Yan, Samantha	—	—	20,000,000[5]	20,000,000	0.27
Dr. Wong Yau Kar, David, BBS, JP	400,000	—	—	400,000	0.005
Yap Fat Suan, Henry	200,000	—	—	200,000	0.003

Notes:

1. The Shares were held by China Wind Power Investment Limited, China Wind Power Investment Limited is wholly owned by New Energy International Limited, which in turn is a wholly-owned subsidiary of Concord International Investment Limited ("Concord International"). Four executive Directors, namely Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng and Ms. Liu Jianhong held as to 88.02% of the issued shares of Concord International, and the aforesaid four Directors are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.

2. Mr. Liu Shunxing, the Chairman, Chief Executive Officer and an executive Director of the Company, was deemed to be interested in 108,760,000 Shares held by Guangfeng International Holdings Limited, which in turn was a wholly-owned subsidiary of Beijing Guangfeng Energy Technology Limited. 99% of the equity interest in Beijing Guangfeng Energy Technology Limited was held by Mr. Liu Shunxing.

3. Mr. Ko Chun Shun, Johnson, the Vice Chairman and an executive Director, was deemed to be interested in 2,000,000,000 Shares held by Gain Alpha Finance Limited ("Gain Alpha"). Gain Alpha is wholly owned by Mr. Ko Chun Shun, Johnson.

4. Ms. Liu Jianhong, an executive Director, has held RMB1,000,000 of 6.375% bond issued by the Company.

5. Ms. Ko Wing Yan, Samantha, an executive Director, was deemed to be interested in 20,000,000 Shares held by Pine Coral Limited ("Pine Coral"). Pine Coral is wholly owned by Ms. Ko Wing Yan, Samantha.

(b) Long positions in underlying Shares of shares options of the Company:

Name of Directors	**Date of grant of share options**	**Exercise price per share** *HK$*	**Number of share options outstanding**
Liu Shunxing	6 April 2009	0.302	6,000,000
	4 January 2010	0.89	10,000,000
	3 January 2011	0.80	15,000,000
Ko Chun Shun, Johnson	6 April 2009	0.302	6,000,000
Wang Xun	6 April 2009	0.302	4,500,000
	4 January 2010	0.89	6,600,000
	3 January 2011	0.80	10,000,000
Yang Zhifeng	6 April 2009	0.302	2,250,000
	4 January 2010	0.89	6,600,000
	3 January 2011	0.80	10,000,000
Liu Jianhong	6 April 2009	0.302	2,250,000
	4 January 2010	0.89	6,600,000
	3 January 2011	0.80	10,000,000
Yu Weizhou	6 April 2009	0.302	2,000,000
	4 January 2010	0.89	6,600,000
	3 January 2011	0.80	10,000,000
Zhou Zhizhong	4 January 2010	0.89	6,600,000
	3 January 2011	0.80	10,000,000
Ko Wing Yan, Samantha	4 January 2010	0.89	3,000,000
	3 January 2011	0.80	4,000,000

Name of Directors	Date of grant of share options	Exercise price per share *HK$*	Number of share options outstanding
Chan Kam Kwan, Jason	6 April 2009	0.302	1,200,000
	4 January 2010	0.89	1,000,000
	3 January 2011	0.80	1,000,000
Tsoi Tong Hoo, Tony	6 April 2009	0.302	3,000,000
	4 January 2010	0.89	800,000
	3 January 2011	0.80	800,000
Dr. Zhou Dadi	4 January 2010	0.89	1,000,000
	3 January 2011	0.80	1,000,000
Dr. Wong Yau Kar, David, *BBS, JP*	6 April 2009	0.302	600,000
	4 January 2010	0.89	800,000
	3 January 2011	0.80	800,000
Yap Fat Suan, Henry	6 April 2009	0.302	800,000
	4 January 2010	0.89	800,000
	3 January 2011	0.80	800,000

These options were granted subject to the following vesting requirement:

On 1st anniversary of the date of grant	25%
On 2nd anniversary of the date of grant	25%
On 3rd anniversary of the date of grant	25%
On 4th anniversary of the date of grant	25%

The exercise period of these options shall be expired on the day before of 5th anniversary of the date of grant.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules.

(ii) Directors' other interests

(a) As at the Latest Practicable Date, none of the Directors (1) had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, the Company or any of its subsidiaries since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up and (2) was materially interested in any contract or arrangement entered into by any member of the Company subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

(b) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any company or business which competes or may compete, directly or indirectly, with the businesses of the Group.

(iii) Substantial Shareholders

As at the Latest Practicable Date, so far as is known to, or can be ascertained after reasonable enquiry by the Directors or chief executive of the Company, the following persons, not being a Director or chief executive of the Company, had interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

(a) Long positions in the Shares:

Name of shareholder	Number of Shares held	Approximate percentage of the total issued share capital *(%)*
China Wind Power Investment Limited *(Note)*	2,023,469,387	27.36

Note:

The Shares were held by China Wind Power Investment Limited, China Wind Power Investment Limited is wholly-owned by New Energy International Limited, which in turn is a wholly-owned subsidiary of Concord International Investment Limited ("Concord International"). Four executive Directors, namely Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng and Ms. Liu Jianhong held as to 88.02% of the issued shares of Concord International, and the aforesaid four Directors are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.

Save as disclosed herein, as at the Latest Practicable Date, no person had any interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACTS

The following contracts, including contracts not in the ordinary course of business, were entered into by the Group within the two years preceding the date of this circular and are or may be material:

(a) On 18 July 2011, Group entered into three contracts with Fuxin Branch of Xinjiang Goldwind Science & Technology Co., Ltd.* regarding the purchase of wind power electricity generation equipment for the Group's two wind farm projects in Liaoning, the PRC and one wind farm project in Taipusiqi, Inner Mongolia Autonomous Region, the PRC, the consideration under each contract amounted to RMB236,525,426, RMB186,124,926 and RMB237,917,926 respectively.

(b) On 15 November 2011, the Group entered into two contracts with Sinovel Wind Group Co., Ltd.* regarding the purchase of wind power electricity generation equipment for the Group's two wind farm projects in Jilin, the PRC, the consideration under each contract amounted to RMB250,120,000 and RMB250,120,000 respectively.

(c) On 15 November 2011, the Group entered into a contract with Fuxin Branch of Xinjiang Goldwind Science & Technology Co., Ltd.* regarding the purchase of wind power electricity generation equipment for wind farm project in Chaoyang, Liaoning, the PRC, the consideration under the contract amounted to RMB237,527,400.

(d) On 24 November 2011, CWP Energy Ltd*, a wholly-owned subsidiary of the Company, entered into a disposal agreement with Liaoning Energy pursuant to which CWP Energy Ltd has conditionally agreed to dispose of a 49% equity interest in Fuxin Taihe Wind Power Co., Ltd.* ("Fuxin Taihe") to Liaoning Energy at a consideration of RMB169,122,400.

(e) On 27 February 2012, Century Concord and Shanghai Electric Power Company Limited* entered into an agreement pursuant to which the registered capital of Suqian Century Concord New Energy Co., Ltd.* shall be increased from RMB30 million to RMB61.23 million by way of Shanghai Electric Power Company Limited making a cash contribution of RMB31.23 million into the registered capital of Suqian Century Concord New Energy Co., Ltd.

(f) On 25 June 2012, Century Concord entered into an agreement with Liaoning Energy pursuant to which Century Concord has conditionally agreed to dispose of a 21% equity interest in Fuxin Taihe to Liaoning Energy at a consideration of RMB79,711,100.

(g) On 25 June 2012, Century Concord and Tianjin Century Concord Wind Power Investment Co., Ltd.* ("Tianjin Century"), both wholly-owned subsidiaries of the Company, respectively entered into two agreements with Liaoning Energy pursuant to which (i) Century Concord has conditionally agreed to dispose of a 13% equity interest in Chaoyang Century Concord Wanjia Wind Power Co., Ltd.* ("Chaoyang Century") to Liaoning Energy at a consideration of RMB24,511,695 and (ii) Tianjin Century has conditionally agreed to dispose of a 12% equity interest in Chaoyang Century to Liaoning Energy at a consideration of RMB22,626,180.

(h) On 10 July 2012, Jilin CWP Power Engineering Co., Ltd.* ("Jilin CWP"), a wholly-owned subsidiary of the Company, entered into an agreement with Liaoning Energy, Liaoning Energy Key Projects Investment Limited* and Liaoning Liaoneng Lifting Engineering Company Limited* ("Liaoning Liaoneng") pursuant to which Jilin CWP has conditionally agreed to (i) acquire the entire equity interest in Liaoning Liaoneng with a consideration of RMB18,337,800 and (ii) provide a loan of RMB12,952,900 to Liaoning Liaoneng to repay its shareholder's loan.

(i) On 30 November 2012, Mendong Century Concord New Energy Co., Ltd.* and Century Concord entered into three agreements pursuant to which the registered capital of each of Jianghua Yao Autonomous County Century Concord Wind Power Co., Ltd.*, Jingmen Century Concord Wind Power Co., Ltd.* and Hebi Century Concord Junlong Wind Power Co., Ltd.* shall be increased from RMB5 million to RMB12.5 million by way of Mendong Century Concord New Energy Co., Ltd. making a cash contribution of RMB7.5 million into the registered capital of each of the above three companies.

(j) On 5 December 2012, Shanghai Electric New Energy Development Limited* ("Shanghai New Energy"), Century Concord and Beijing Century Jinhua Investment Limited* ("Beijing Century") entered into three agreements pursuant to which (i) the registered capital of Haian Century Concord Wind Power Co., Ltd.* shall be increased from RMB17 million to RMB34.69 million by way of Shanghai New Energy and Beijing Century making a cash contribution of RMB15,610,500 and RMB2,079,500 respectively into the registered capital of Haian Century Concord Wind Power Co., Ltd.; (ii) the registered capital of Suzhou Century Concord Wind Power Co., Ltd.* shall be increased from RMB5 million to RMB10.2 million by way of Shanghai New Energy and Beijing Century making a cash contribution of RMB4.59 million and RMB0.61 million respectively into the registered capital of Suzhou Century Concord Wind Power Co., Ltd.; and (iii) the registered capital of Xiaoxian Century Concord Wind Power Co., Ltd.* shall be increased from RMB5 million to RMB10.2 million by way of Shanghai New Energy and Beijing Century making a cash contribution of RMB4.59 million and RMB0.61 million respectively into the registered capital of Xiaoxian Century Concord Wind Power Co., Ltd..

(k) On 18 December 2012, Taipusiqi Union Wind Power Co., Ltd.* ("Taipusiqi Union", a jointly controlled entity owned as to 51% by Century Concord) as the lessee and Shanghai Ronglian Leasing Shares Co. Ltd.* (the "Lessor") entered into a finance lease agreement (the "Finance Lease Agreement"), pursuant to which Taipusiqi Union has agreed to sell certain machinery and equipment for the operation of the wind farm project to the Lessor at a consideration of RMB250 million and the Lessor has agreed to lease back the machinery and equipment to Taipusiqi Union for a term of three years.

Pursuant to a security agreement entered into between Taipusiqi Union and the Lessor on 18 December 2012, Taipusiqi Union has pledged its tariff collection rights in favour of the Lessor as security for its amount payable under the Finance Lease Agreement.

Pursuant to the two guarantee agreements entered into between (i) Century Concord and the Lessor; and (ii) Shanghai Shenhua Holdings Co., Ltd.* and the Lessor both dated 18 December 2012, each of Century Concord and Shanghai Shenhua Holdings Co., Ltd. as a shareholder of Taipusiqi Union has agreed to provide a guarantee in favour of the Lessor for, including but not limited to, the unpaid principal, interest payment, tax payment, handling charge, deposit, interest penalty, compensation or other payables by Taipusiqi Union under the Finance Lease Agreement according to their respective equity interest in Taipusiqi Union as to 51% and 49% respectively.

(l) the Agreements.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance had known to the Directors to be pending or threatened by or against any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

6. EXPERTS AND CONSENTS

The following are the qualifications of the expert who has given opinions or advice in this circular:

Name	Qualification
Somerley Limited	A licensed corporation for type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Vigers Appraisal & Consulting Limited	Independent valuer

As at the Latest Practicable Date, each of the aforesaid experts did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the aforesaid experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter/report and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, each of the aforesaid experts did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

7. NO MATERIAL ADVERSE CHANGE

As stated in the profit warning announcement of the Company dated 4 January 2013, due to the decrease in the gain on disposal of interests in the Group's investments in its wind farm projects and the decrease in the income from the electricity output generated by certain jointly controlled entities, the Group expected to record a significant drop in net profit for the year ended 31 December 2012 as compared with last year. The Company on 22 March 2013 announced its consolidated annual results for the year ended 31 December 2012. Save as aforesaid, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong from the date of this circular up to 10 July 2013:

(a) this circular;

(b) the Agreements;

(c) the letter from the independent financial adviser as set out in this circular;

(d) the valuation report from the independent valuer as set out in this circular;

(e) the Company's memorandum of association and bye-laws;

(f) the material contracts referred to in the section headed "Material Contracts" to in this appendix; and

(g) the annual reports of the Company for each of the years ended 31 December 2011 and 2012 and the interim reports of the Company for each of the six months ended 30 June 2011 and 30 June 2012.

9. MISCELLANEOUS

— The secretary of the Company is Mr. Chan Kam Kwan, Jason. Mr. Chan is also an executive Director. Mr. Chan graduated from the University of British Columbia with a Bachelor of Commerce degree and is a member of the American Institute of Certified Public Accountants.

— The correspondence address of the Directors is at Unit 3901, 39/F, Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong;

— The principal place of business in Hong Kong and correspondence address of the Company is at Unit 3901, 39/F, Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong;

— The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda;

— The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong; and

— The English texts of this circular shall prevail over the Chinese texts.