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中国风电集团有限公司*
China WindPower Group Limited
(incorporated in Bermuda with limited liability)
(Stock Code: 182)

**(1) PLACING OF EXISTING SHARES
AND
SUBSCRIPTION OF NEW SHARES**

PLACING AGENT



Reorient Financial Markets Limited

**(2) CONNECTED TRANSACTION —
APPOINTMENT OF REORIENT AS PLACING AGENT**

On 13 December 2013, the Placing and Subscription Agreement was entered into, pursuant to which, (1) the Placing Agent has agreed to procure placees to buy up to 600,000,000 existing Shares from Gain Alpha, representing approximately 8.11% of the issued share capital of the Company as at the date of this announcement, at the Placing Price of HK\$0.44 per Share and (2) Gain Alpha has agreed to subscribe for such number of new Shares equal to the number of Placing Shares actually placed under the Placing, at the Subscription Price of HK\$0.44 per Share. Assuming the maximum of 600,000,000 Placing Shares are placed under the Placing and Subscription Agreement, the Subscription Shares represent approximately 8.11% of the existing issued share capital of the Company and approximately 7.50% of the then issued share capital of the Company as enlarged by the Subscription.

* For identification purpose only

The Placing is not subject to any conditions. The Subscription is conditional upon completion of the Placing and the granting of the approval by the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. The Subscription Shares will be issued under the general mandate which was granted to the Directors by the Shareholders at the Company's annual general meeting held on 31 May 2013.

Gain Alpha is a substantial shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. The Subscription is expected to be completed within 14 days from the date of the Placing and Subscription Agreement and is exempt from the connected transaction requirements in accordance with Rule 14A.31(3)(d) of the Listing Rules. Reorient is an associate of Mr. Ko and is a connected person of the Company. Under the Listing Rules, the engagement of Reorient as the Placing Agent constitutes a connected transaction for the Company and is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Assuming all the Placing Shares are placed under the Placing and Subscription Agreement, the net proceeds from the Subscription are estimated to be approximately HK\$258 million. It is the intention of the Company to use such net proceeds for the development of solar and wind power projects.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date : 13 December 2013

Parties : (1) Gain Alpha;
(2) the Company; and
(3) Reorient

The Placing

Gain Alpha holds 2,000,000,000 Shares representing approximately 27.02% of the issued share capital of the Company as at the date of this announcement.

Gain Alpha is a company wholly-owned by Mr. Ko, the Vice Chairman and an executive Director of the Company.

Mr. Ko is the ultimate controlling shareholder of Reorient Group Limited (which is the parent company of Reorient). He is also the Chairman and an executive director of Reorient Group Limited. He owns the entire issued share capital of Kwan Wing Holdings Limited which in turn owns a 79.5% shareholding interest in Gainhigh Holdings Limited. Gainhigh Holdings Limited holds 270,824,382 shares of Reorient Group Limited representing approximately 65.82% of the issued share capital of Reorient Group Limited as at the date of this announcement. Accordingly, Reorient is a connected person of the Company as it is an associate of Mr. Ko.

The major terms of the Placing are summarized as follows:

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|---------------------------------------|---|--|
| Placée(s) | : | The Placing Shares will be placed to not less than six placees or purchasers, who shall be professional, institutional and other appropriate investors as selected by the Placing Agent and will not be a connected person of the Company and will be independent of, and not acting in concert (as defined under the Codes on Takeovers and Mergers in Hong Kong) with any of Gain Alpha or any of its or the Company's directors, chief executive or substantial shareholder (as defined in the Listing Rules), any of their associates. |
| Number of Placing Shares | : | Up to 600,000,000 Shares, representing approximately 8.11% of the existing issued share capital of the Company, and approximately 7.50% of the issued share capital of the Company as enlarged by the Subscription. |
| Placing Price | : | HK\$0.44 per Share. |
| Commission | : | 2.25% of the gross proceeds from the Placing payable to Reorient. |
| Rights attached to the Placing Shares | : | The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching to them at the Transaction Date, including the right to receive all dividends declared, made or paid on or after the Transaction Date. |
| Closing | : | Subject to the termination and other clauses in the Placing and Subscription Agreement, closing shall take place on the second Business Day after the Transaction Date or such other date as Gain Alpha and the Placing Agent may agree in writing. |

The Placing Agent shall on the Closing Date make or procure the making of payment to the Vendor in Hong Kong dollars of the aggregate Placing Price of the Placing Shares (less the commission and expenses payable to the Placing Agent referred to in the Placing and Subscription Agreement).

Termination

: The Placing Agent may terminate the Placing and Subscription Agreement without liability to the Vendor and/or the Company by giving notice in writing to the Vendor and the Company, which notice may be given at any time prior to 4:00 p.m. (Hong Kong time) on the Closing Date,

(a) there develops, occurs or comes into force:

- (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
- (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
- (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States; or
- (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares or the transfer thereof; or
- (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the United Kingdom or the United States or the declaration by Hong Kong, the PRC, the United Kingdom or the United States of a national emergency or war; or

- (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or any breach of any of the representations, warranties and undertakings by the Company and/or Gain Alpha under the Placing and Subscription Agreement to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of Gain Alpha and/or the Company; or
- (c) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, shareholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agent is materially adverse to the success of the Placing.

The Subscription

Issuer : The Company

Subscriber : Gain Alpha

Number of Subscription Shares : Such number of new Shares equal to the number of Placing Shares actually placed under the Placing.

Assuming the maximum of 600,000,000 Placing Shares are placed under the Placing and Subscription Agreement, the Subscription Shares represent approximately 8.11% of the existing issued share capital of the Company, and approximately 7.50% of the then issued share capital of the Company as enlarged by the Subscription.

Subscription Price : HK\$0.44 per new Share

Conditions of the Subscription

Completion of the Subscription is conditional upon fulfillment of (i) completion of the Placing; and (ii) granting of the approval by the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares (and such approval and permission not subsequently revoked prior to the delivery of definite certificate(s) representing the Subscription Shares). Completion of the Subscription shall take place on the day on which the last condition is fulfilled provided that it shall take place on a date falling 14 days after the date of the Placing and Subscription Agreement (or such date may be agreed between the Company and Gain Alpha in writing).

At completion of the Subscription, Gain Alpha shall pay the Company the total consideration for the Subscription Shares net of the commission and expenses paid/payable by Gain Alpha in relation to the Placing and the Subscription as prescribed in the Placing and Subscription Agreement.

The Placing Price and the Subscription Price

The Placing Price and the Subscription Price are the same and were determined after arm's length negotiations between the Company, Gain Alpha and the Placing Agent with reference to the recent trading prices of the Shares. The Placing Price and the Subscription Price represent (i) a discount of approximately 15.38% to the closing price per Share of HK\$0.52 on 12 December 2013, being the day immediately prior to the date of the Placing and Subscription Agreement; and (ii) a discount of approximately 11.47% to the average closing price per Share of approximately HK\$0.497 for the last five trading days up to and including 12 December 2013.

Issue of the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2013, pursuant to which the Directors are authorised to allot and issue up to 20% of the issued share capital of the Company as at the date of passing of the resolution approving the said general mandate (i.e. 1,479,018,993 Shares). The Subscription is not subject to any Shareholders' approval requirement. Up to the date of this announcement, save for the proposed issue of the Subscription Shares pursuant to the Subscription Agreement, the Directors have not exercised the power to allot and issue any new Shares pursuant to such general mandate.

Ranking

All the Subscription Shares, when fully paid for and issued, will rank *pari passu* in all respects among themselves and with the other Shares in issue on the date of allotment of the Subscription Shares pursuant to the Subscription Agreement.

LISTING APPLICATION

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EFFECT OF THE PLACING AND SUBSCRIPTION

The following table sets out the shareholding structure of the Company as at the date of this announcement and the shareholding structures of the Company after completion of the Placing and after the completion of the Subscription (assuming the maximum number of Placing Shares are placed under the Placing and Subscription Agreement and there are no other changes to the issued share capital of the Company):

	As at the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Gain Alpha (Note 1)	2,000,000,000	27.02%	1,400,000,000	18.91%	2,000,000,000	24.99%
China Wind Power Investment Limited (Note 2)	2,023,469,387	27.33%	2,023,469,387	27.33%	2,023,469,387	25.28%
Pine Coral Limited (Note 3)	20,000,000	0.27%	20,000,000	0.27%	20,000,000	0.25%
Guangfeng International Holdings Limited (Note 4)	115,010,000	1.55%	115,010,000	1.55%	115,010,000	1.44%
Placees (public)	0	0.00%	600,000,000	8.11%	600,000,000	7.50%
Other existing public Shareholders	3,244,225,578	43.82%	3,244,225,578	43.82%	3,244,225,578	40.54%
Total	7,402,704,965	100.00%	7,402,704,965	100.00%	8,002,704,965	100.00%
Total public shareholding	3,244,225,578	43.82%	3,844,225,578	51.93%	3,844,225,578	48.04%

Notes:

1. Mr. Ko, the Vice Chairman and an executive Director, is deemed to be interested in 2,000,000,000 Shares held by Gain Alpha.
2. China Wind Power Investment Limited (“China Wind Power Investment”) is wholly owned by New Energy International Limited (“New Energy”), which in turn is a wholly-owned subsidiary of Concord International Investment Limited (“Concord International”). Four executive Directors, namely Mr. Liu Shunxing (“Mr. Liu”), 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 directors of Concord International, New Energy and China Wind Power Investment.
3. Ms. Ko Wing Yan, Samantha, an executive Director, is 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.

4. Mr. Liu is deemed to be interested in 115,010,000 Shares held by Guangfeng International Holdings Limited which is wholly owned by Beijing Guangfeng Energy Technology Limited and is 99% owned by Mr. Liu.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND THE USE OF PROCEEDS

The Group is principally engaged in (1) the wind power sector, investing in various wind farm projects and providing wind power engineering and construction services in the PRC and (2) solar energy investments and operations.

In view of the market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity for the Company to strengthen its cash resources and working capital position for the development of the Group's wind power and solar businesses. The Directors (including the independent non-executive Directors) are of the view that the terms of the Placing and Subscription Agreement are fair and reasonable and in the interests of the Shareholders.

Assuming the maximum number of the Placing Shares are placed under the Placing and Subscription Agreement, the gross proceeds from the Subscription will be HK\$264 million, the net proceeds from the Subscription are estimated to be HK\$258 million (representing a price net of expenses of approximately HK\$0.43 per Subscription Share). The Company intends to use such net proceeds for the development of solar and wind power projects.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE 12 MONTHS IMMEDIATELY PRIOR TO THE DATE OF THIS ANNOUNCEMENT

The Company has not raised any funds by way of issue of equity securities (other than the exercise of share options in accordance to the share option scheme of the Company) in the past twelve months immediately prior to the date of this announcement.

The Company refers to its announcement dated 12 December 2013 regarding the negotiation with a strategic investor in respect of a possible investment in the Company. For the avoidance of doubt, such negotiation is still on-going.

CONNECTED TRANSACTION

Gain Alpha is a substantial shareholder of the Company and therefore is a connected person of the Company under the Listing Rules. The Subscription is expected to be completed within 14 days from the date of the Placing and Subscription Agreement and is exempt from the connected transaction requirements in accordance with Rule 14A.31(3)(d) of the Listing Rules.

As set out above in this announcement, Reorient is an associate of Mr. Ko and is a connected person of the Company. Reorient is a licensed corporation in Hong Kong to provide, among other things, brokerage, securities dealings and corporate finance services. With a view to carrying out the Placing, it is essential for the Company to engage professional placing agent. The Company considers that the professional team of Reorient has the necessary experience and network to help procure places under the Placing. Under the Listing Rules, the engagement of Reorient as the Placing Agent constitutes a connected transaction for the Company. The maximum fee which may be payable to Reorient under the Placing and Subscription Agreement amounts to approximately HK\$5.9 million which has been agreed between the parties after arm's length negotiations with reference to market terms. The applicable percentage ratios (under Rule 14.04(9) of the Listing Rules) (other than the profits ratio) based on such fee, together with other fees charged by Reorient to the Company in the 12 months prior to the date of this announcement, are less than 5%. The Company considers that the terms of the Subscription Agreement are on normal commercial terms. The Directors (including the independent non-executive Directors) consider that terms of the Placing and Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the engagement of Reorient of a Placing Agent is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules. Mr. Ko has a material interest in the Placing and Subscription and he has abstained from voting at the meeting of the board of Directors regarding the entering into of the Placing and Subscription Agreement.

DEFINITIONS

“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“Closing Date”	the second Business Day after the Transaction Date or such other date as Gain Alpha and the Placing Agent may agree in writing
“Company”	China WindPower Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	director(s) of the Company

“Gain Alpha”	Gain Alpha Finance Limited, a company which beneficially holds 2,000,000,000 Shares, representing approximately 27.02% of the issued share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ko”	Mr. Ko Chun Shun, Johnson, the Vice Chairman and an executive Director, and is also the beneficial owner of Gain Alpha
“Placing”	the placing of the Placing Shares pursuant to the Placing and Subscription Agreement
“Placing Agent”	Reorient
“Placing and Subscription Agreement”	the placing and subscription agreement entered into amongst the Company, the Placing Agent and Gain Alpha dated 13 December 2013
“Placing Price”	HK\$0.44 per Placing Share
“Placing Shares”	up to 600,000,000 existing Shares held by Gain Alpha to be placed by the Placing Agent under the Placing and Subscription Agreement (with an aggregate nominal value of up to HK\$6,000,000)
“PRC”	the People’s Republic of China
“Reorient”	REORIENT Financial Markets Limited, the Placing Agent and a corporation licensed to carry out 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 Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the subscription of the Subscription Shares pursuant to the Placing and Subscription Agreement
“Subscription Price”	HK\$0.44 per Subscription Share
“Subscription Shares”	such number of new Shares equal to the number of Placing Shares actually placed under the Placing (with an aggregate nominal value of up to HK\$6,000,000)
“Transaction Date”	the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 16 December 2013 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 16 December 2013, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as Gain Alpha and the Placing Agent may agree in writing

By order of the Board
China WindPower Group Limited
Liu Shunxing
Chairman

Hong Kong, 13 December 2013

As at the date of this announcement, the board of Directors comprises Mr. Liu Shunxing (Chairman), Mr. Ko Chun Shun, Johnson (Vice Chairman and executive Director), Mr. Yang Zhifeng (Chief Executive Officer), Mr. Wang Xun, Ms. Liu Jianhong, Mr. Yu Weizhou, Mr. Zhou Zhizhong, Ms. Ko Wing Yan, Samantha and Mr. Chan Kam Kwan, Jason (who are executive Directors), Mr. Tsoi Tong Hoo, Tony (who is a non-executive Director), and Dr. Zhou Dadi, Dr. Wong Yau Kar, David BBS, JP, Mr. Yap Fat Suan, Henry, Dr. Shang Li and Ms. Huang Jian (who are independent non-executive Directors).