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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)**

**MAJOR AND CONNECTED TRANSACTION  
DISPOSALS OF INTERESTS IN JOINTLY CONTROLLED ENTITIES**

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\$280.18 million).

As an applicable percentage ratio in respect of the transactions in aggregate exceeds 25% but is less than 75%, the transactions under the Agreements in aggregate constitute a major transaction for the Company subject to shareholders' approval under the Listing Rules. Pursuant to Rule 14A.13, the Disposals in aggregate also constitute a connected transaction of the Company subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

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.

For information purposes, a circular containing, among other matters, further details of the Disposals, a letter from the independent board committee to the independent Shareholders and a letter from the independent financial adviser to the independent board committee and the independent Shareholders will be despatched to the Shareholders in compliance with the Listing Rules as soon as practicable on or before 22 March 2013.

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\$280.18 million).

## THE AGREEMENTS

The table below sets out the details on the Agreements:

<b>Date of the Agreements</b>	1 March 2013			
<b>Agreements</b>	S&P Agreement 1	S&P Agreement 2	S&P Agreement 3	S&P Agreement 4
<b>Equity interests to be disposed of</b>	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”)
<b>Vendor</b>	Century Concord	Century Concord	Century Concord	Century Concord
<b>Purchaser</b>	Guodian Northeast New Energy Developments Ltd.* (國電東北新能源發展有限公司)			
<b>Consideration for each of the Disposals under the Agreements</b>	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.

Upon completion of the Disposals, the Group will cease to hold any equity interest in the JCEs and the financial results of the JCEs will no longer be consolidated in the Group's consolidated financial statements.

### **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 share transfer of the JCEs is 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. The conditions precedent to the share transfer of the JCEs shall be fulfilled on or before 31 March 2013.

The change of shareholders of the JCEs in the Administration for Industry and Commerce in relation to the Disposals shall be completed within 10 business days after the fulfillment of the conditions precedent.

### **Consideration**

The total consideration for the Disposals is RMB225,403,500 (equivalent to approximately HK\$280.18 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 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.

Each of the consideration of the Disposals was 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.

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 RMB32.3 million (equivalent to approximately HK\$40.1 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 31 January 2013 attributable to the equity interests in the JCEs being sold by the Group 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. 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. The proceeds from the Disposals will be used as general working capital of the Group.

**Information on the JCEs**

Set out below is the information on the JCEs:

	<b>Fuxin Julonghu Wind Power Co., Ltd. (阜新巨龍湖 風力發電有限公 司) (“JCE1”)</b>	<b>Fuxin Qianfoshan Wind Power Co., Ltd. (阜新千佛山風力 發電有限公司)  (“JCE2”)</b>	<b>Fuxin Juyuan Wind Power Co., Ltd. (阜新聚緣風力 發電有限公司)  (“JCE3”)</b>	<b>Fuxin Juhe Wind Power Co., Ltd. (阜新聚合風力發 電有限公司)  (“JCE4”)</b>
<b>Date of establishment</b>	9 February 2009	15 July 2009	17 November 2009	18 November 2009
<b>Registered capital</b>	RMB100 million	RMB100 million	RMB100 million	RMB100 million
<b>Unaudited net asset value as of 30 June 2012</b>	RMB102.36 million	RMB101.69 million	RMB92.75 million	RMB102.25 million
<b>Revenue for the year ended 31 December 2010 (audited)</b>	RMB49.34 million	RMB26.40 million	Nil	RMB36.06 million
<b>Revenue for the year ended 31 December 2011 (audited)</b>	RMB43.49 million	RMB43.82 million	RMB51.84 million	RMB42.48 million
<b>Profit/(loss) (both before and after taxation) for the year ended 31 December 2010 (audited)</b>	RMB17.13 million	RMB12.94 million	RMB(0.2) million	RMB21.54 million
<b>Profit/(loss) (both before and after taxation) for the year ended 31 December 2011 (audited)</b>	RMB7.27 million	RMB4.995 million	RMB11.32 million	RMB4.87 million

	<b>Fuxin Julonghu Wind Power Co., Ltd. (阜新巨龍湖風力發電有限公司) (“JCE1”)</b>	<b>Fuxin Qianfoshan Wind Power Co., Ltd. (阜新千佛山風力發電有限公司) (“JCE2”)</b>	<b>Fuxin Juyuan Wind Power Co., Ltd. (阜新聚緣風力發電有限公司) (“JCE3”)</b>	<b>Fuxin Juhe Wind Power Co., Ltd. (阜新聚合風力發電有限公司) (“JCE4”)</b>
<b>Principal business</b>	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
<b>Commencement of wind farm operation</b>	December 2009	December 2009	August 2010	December 2009
<b>Capacity of wind farm</b>	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. 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 (excluding the independent non-executive Directors who will express their opinion after considering the independent financial adviser’s opinion) 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.

## LISTING RULES IMPLICATIONS

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

The JCEs are owned as to 60% by the Company as at the date of this announcement and 40% by Liaoning Energy and are considered to be subsidiary undertakings of the Company. In addition, Liaoning Energy and the Group hold equity interests in other joint ventures, one of which 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 constitute 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 date of this announcement.

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.



## GENERAL

An independent board committee will be established to advise the independent Shareholders regarding the Disposals. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders regarding the fairness and reasonableness of the Disposals. For information purposes, a circular containing, among other matters, further details of the Disposals, a letter from the independent board committee to the independent Shareholders and a letter from the independent financial adviser to the independent board committee and the independent Shareholders will be despatched to the Shareholders in compliance with the Listing Rules as soon as practicable on or before 22 March 2013.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning ascribed to it under the Listing Rules
“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)
“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
“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), a jointly controlled entity held as to 60% by Century Concord and 40% by Liaoning Energy as at the date of this announcement
“JCE2”	Fuxin Qianfoshan Wind Power Co., Ltd.* (阜新千佛山風力發電有限公司), a jointly controlled entity held as to 60% by Century Concord and 40% by Liaoning Energy as at the date of this announcement
“JCE3”	Fuxin Juyuan Wind Power Co., Ltd.* (阜新聚緣風力發電有限公司), a jointly controlled entity held as to 60% by Century Concord and 40% by Liaoning Energy as at the date of this announcement
“JCE4”	Fuxin Juhe Wind Power Co., Ltd.* (阜新聚合風力發電有限公司), a jointly controlled entity held as to 60% by Century Concord and 40% by Liaoning Energy as at the date of this announcement
“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
“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
“Shareholder(s)”	shareholder(s) of the Company
“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
“%”	per cent

By order of the Board  
**China WindPower Group Limited**  
**Liu Shunxing**  
*Chairman and Chief Executive Officer*

Hong Kong, 1 March 2013

*As at the date of this announcement, the Board comprises Mr Liu Shunxing, Mr Ko Chun Shun, Johnson, Mr Wang Xun, Mr Yang Zhifeng, 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 non-executive Director), and Dr Zhou Dadi, Dr Wong Yau Kar, David JP, Mr Yap Fat Suan, Mr Shang Li and Ms Huang Jian (who are independent non-executive Directors).*

*For the purpose of this announcement, the translation of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.243.*

*\* for identification purpose only*