

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*



**中国风电集团有限公司\***

**China WindPower Group Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 182)**

**SUBSCRIPTION OF NEW SHARES  
UNDER A GENERAL MANDATE  
ENTERING INTO OF A LOAN AGREEMENT  
AND  
RESUMPTION OF TRADING**

On 30 June 2010, the Company and IFC entered into the Subscription Agreement pursuant to which the Company has agreed to issue and allot to IFC and IFC has agreed to subscribe for 101,140,000 Subscription Shares at the Subscription Price of HK\$0.77 (equivalent to approximately US\$0.098868) per Subscription Share (for the purpose of the Subscription Agreement, the Subscription Price has been calculated based on the exchange rate of HK\$1:US\$0.1284).

The Subscription Shares represent (i) approximately 1.39% of the existing issued ordinary share capital of the Company and (ii) approximately 1.37% of the issued ordinary share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Completion of the Subscription is conditional upon the fulfillment of certain conditions set out in the paragraph headed "Subscription Conditions" in this announcement. The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 24 June 2010.

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

\* for identification purposes only

The gross proceeds of the Subscription amount to US\$10 million (equivalent to approximately HK\$78 million). Based on estimated expenses of approximately HK\$0.5 million for the Subscription, the Company will be able to raise approximately HK\$77.5 million net proceeds from the Subscription. It is the intention of the Company to use the estimated net proceeds from the Subscription as the general working capital of the Group for the development of its wind power business.

Pursuant to the Loan Agreement dated 30 June 2010 entered into between IFC and 甘肅瓜州協合風力發電有限公司 (Gansu Guazhou Xiehe Wind Power Co., Ltd., the “Guazhou Company”), an indirectly wholly-owned subsidiary of the Company, IFC has agreed, subject to the terms and conditions contained in the Loan Agreement, to provide the Loan to Guazhou Company in an aggregate principal amount of up to US\$152 million (equivalent to approximately HK\$1,185.6 million) to finance the Guazhou Wind Farm Project and the Transformer Station.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 2 July 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 5 July 2010.

## **THE SUBSCRIPTION AGREEMENT**

Date: 30 June 2010

Issuer: the Company

Subscriber: IFC

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of IFC and its ultimate beneficial owner(s) is an Independent Third Party. As at the date of this announcement, IFC does not hold any Shares.

On 30 June 2010, the Company and IFC entered into the Subscription Agreement pursuant to which the Company has agreed to issue and allot to IFC and IFC has agreed to subscribe for 101,140,000 Subscription Shares at the Subscription Price of HK\$0.77 (equivalent to approximately US\$0.098868) per Subscription Share (for the purpose of the Subscription Agreement, the Subscription Price has been calculated based on the exchange rate of HK\$1:US\$0.1284).

## **Subscription Shares**

The Subscription Shares represent (i) approximately 1.39% of the existing issued ordinary share capital of the Company and (ii) approximately 1.37% of the issued ordinary share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

## **Ranking of Subscription Shares**

The Subscription Shares when allotted and issued shall be fully paid up and free from all Encumbrances. The Subscription Shares when allotted and issued shall rank *pari passu* in all respects with the ordinary shares of HK\$0.01 each in the share capital of the Company issued at the date of allotment and in particular will rank in full for all dividends and other distributions declared made or paid at any time after the date of the Subscription Agreement.

## **Subscription Price**

The Subscription Price is HK\$0.77 per Subscription Share. The Subscription Price represents:

- (i) the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 30 June 2010, being the date of the Subscription Agreement;
- (ii) a premium of approximately 0.79% to the average closing price of HK\$0.764 per Share for the 5 consecutive trading days as quoted on the Stock Exchange up to and including 30 June 2010, being the date of the Subscription Agreement; and
- (iii) a premium of approximately 5.34% to the average closing price of HK\$0.731 per Share for the 10 consecutive trading days as quoted on the Stock Exchange up to and including 30 June 2010, being the date of the Subscription Agreement.

The gross proceeds of the Subscription amount to US\$10 million (equivalent to approximately HK\$78 million). Based on estimated expenses of approximately HK\$0.5 million for the Subscription, the Company will be able to raise approximately HK\$77.5 million net proceeds from the Subscription. On this basis, the issue price per Subscription Share net of expenses is approximately HK\$0.766.

The Subscription Price was determined and negotiated on an arm's length basis between the parties to the Subscription Agreement with reference to the closing price of the Shares quoted on the Stock Exchange on 30 June 2010 of HK\$0.77, being the date of the Subscription Agreement. As such, the Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Pre-completion undertakings by the Company**

The Company undertakes to IFC that it shall, before the Completion:

- (i) as soon as possible following the execution of the Subscription Agreement and in accordance with the Listing Rules, the Company shall publish this announcement on the Stock Exchange's website; and
- (ii) between the execution of the Subscription Agreement and the Completion, the Company undertakes with IFC that, save with the prior written consent of IFC, it shall, and shall procure that each of the Company and its subsidiaries shall:
  - (a) maintain a sufficient number of authorised and unissued Shares to permit the allotment of the Subscription Shares; and
  - (b) operate its business in the usual course so as to maintain that business as a going concern.

## **Undertakings by the Company (the “Undertakings”)**

The Company undertakes to IFC that it shall, for as long as IFC holds any Shares or Share Equivalents in the Company:

- (i) at any time after the date of the Subscription Agreement, notify IFC within five days after the occurrence of any social, labour, health and safety, security or environmental incident, accident or circumstance (including any actions that have or will be taken to remedy the relevant occurrence) having or which would reasonably be expected to have a material impact on the implementation or operation of the Company's Operations in compliance with the IFC's performance standards on social & environmental sustainability, specifying in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures the Company and/or the Group is taking or plans to take to address them and to prevent any future similar event and shall keep IFC informed of the on-going implementation of those measures;
- (ii) deliver to IFC within 120 days after the end of each financial year, an annual monitoring report confirming compliance with the action plan setting out specific social and environmental measures to be undertaken by the Company and Guazhou Company, an indirectly wholly-owned subsidiary of the Company, requirements of the IFC's performance standards on social & environmental sustainability and a written notice confirming that the information contained in the annual monitoring report does not require an announcement to be made on the Stock Exchange's website;
- (iii) comply with other additional undertakings as set out in the schedule 5 of the Subscription Agreement; and

- (iv) shall, and shall cause its Affiliates, directors, officers, employees, representatives, agents and advisors to, use its best effort to cooperate with IFC, including, without limitation, taking proactive actions and conducting due inquiries (whether or not requested by IFC), with respect to the ongoing investigation of the matters referenced in the confirmation letter issued by the Company to IFC as specified in the Subscription Agreement, and shall promptly disclose to IFC any information in reasonable detail relating to such matters that are known to the Company and/or its Affiliates.

The Company further undertakes to IFC that it shall, for as long as IFC, or its nominee, holds at least 50% of the Subscription Shares (equivalent to 50,570,000 Shares):

- (i) at any time after the date of the Subscription Agreement, promptly make an announcement on the Stock Exchange's website of any (a) litigation, investigation or proceedings that may result in a Material Adverse Change, any criminal investigations, or proceedings involving the Company or Related Party or (b) any criminal investigations or proceedings against the Company or any Related Party, and any such notification shall specify the nature of the action or proceeding and any steps that the Company proposes to take in response to the same; and
- (ii) upon IFC's request, and with reasonable prior notice to the Company, the Company shall permit representatives of IFC and the CAO, during normal office hours, to:
  - (a) visit any of the sites and premises where the business of the Company or its subsidiaries is conducted;
  - (b) inspect any of the sites, facilities, plants and equipment of the Company or its subsidiaries;
  - (c) have access to the books of account and all records of the Company and its subsidiaries; and
  - (d) have access to those employees, agents, contractors and subcontractors of the Company and its subsidiaries who have or may have knowledge of matters with respect to which IFC or the CAO seeks information,

provided that (i) no such access or inspection rights provided to either IFC or the CAO shall be permitted with respect to any non-public or price sensitive information and (ii) in the case of the CAO, such access shall be for the purpose of carrying out the CAO's Role,

provided that, the Company shall make a simultaneous announcement on the Stock Exchange of any information reported or disclosed to IFC under certain Undertakings if: (i) such information has resulted in, or could reasonably be expected to result in a Material Adverse Change as a whole; or (ii) disclosure of such information is required by any applicable Hong Kong laws (including the Listing Rules).

The Company may from time to time (but no more than twice in one calendar year) request by written notice that IFC confirm how many of the Subscription Shares are registered in the name of IFC or its nominee. IFC shall respond to such notice within a reasonable time period.

### **Subscription Conditions**

Completion of the Subscription is conditional on:

- (i) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Subscription Shares;
- (ii) the transactions contemplated by the Subscription Agreement (including the subscription for the Subscription Shares by IFC pursuant to the Subscription Agreement) not being prohibited or otherwise restricted by any statute, order, decree, rule, regulation, request or directive promulgated or issued by any legislation, executive, judicial or regulatory authority in Hong Kong or any other applicable jurisdiction;
- (iii) the warranties given by the Company in the Subscription Agreement being true, accurate, complete and not misleading as at the date of the Subscription Agreement and as at the Completion Date and the Company having performed all of its undertakings and obligations thereunder to be performed on or before Completion and there not having been any material breach of the Subscription Agreement;
- (iv) the approval of the Board having been obtained for the transactions contemplated by the Subscription Agreement;
- (v) the Company having obtained all necessary authorisations for the performance of the transactions contemplated by the Subscription Agreement;
- (vi) there not having occurred since the date of the Subscription Agreement (a) any event, or series of events, beyond the reasonable control of the Company (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism and acts of God); or (b) any Material Adverse Change or any Material Adverse Change which may reasonably be expected to occur; which, in the sole judgment of IFC, make it impracticable or inadvisable to proceed with the Subscription;
- (vii) this announcement containing no untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (viii) the delivery of a subscription notice by the Company (signed by an authorised representative of the Company) or by IFC (as the case may be);

- (ix) a legal opinion, in form and substance satisfactory to IFC, from Bermudan counsel to IFC dated the Completion Date (or such other date as agreed by IFC) and addressed to IFC in respect of the Subscription Agreement;
- (x) an internationally recognised external auditor acceptable to IFC or PriceWaterhouseCoopers having been appointed by the Company;
- (xi) the delivery of the certificate of incumbency and authority by the Company to IFC in the form set out in the schedule of the Subscription Agreement;
- (xii) the Company having complied with all matters set forth in the action plan setting out specific social and environmental measures to be undertaken by the Company and Guazhou Company to be completed by the Completion Date;
- (xiii) the Subscription Agreement having been duly entered into by the parties thereto and not subsequently having been revoked, terminated or modified; and
- (xiv) the occurrence of the first disbursement of the Loan (as detailed below).

IFC may waive all or any of the Subscription Conditions (either in whole or in part) at any time by notice in writing to the Company.

### **Completion of the Subscription Agreement**

Subject to the satisfaction (or waiver by IFC) of the Subscription Conditions either:

- (i) the Company may request IFC to subscribe for the Subscription Shares by delivering a subscription notice to IFC; or
- (ii) IFC may notify the Company that it shall subscribe for the Subscription Shares by delivering a subscription notice to the Company,

at least 10 Business Days (or such shorter period as IFC may agree) prior to the Completion Date specified in such subscription notice.

IFC shall pay US\$10 million (equivalent to approximately HK\$78 million) to the Company in immediately available funds on the Completion Date.

The Company shall use all best endeavours to procure the satisfaction of the Subscription Conditions as soon as practicable after the date of the Subscription Agreement and in any event on or before the long stop date (being 15 December 2010 or such other date as IFC may agree in writing) and shall notify IFC in writing as soon as practicable after satisfaction of each such Subscription Conditions.



If any of the Subscription Conditions are not satisfied (or waived by IFC) on or before the above long stop date, the provisions of the Subscription Agreement (except the surviving terms which shall survive the termination of the Subscription Agreement as specified in the Subscription Agreement) shall be deemed to have terminated automatically and the provisions of the Subscription Agreement (except the surviving terms) shall cease to have any force and effect and all rights and obligations of the parties shall end (except the surviving terms) save for all rights and liabilities of the parties which have accrued before termination.

## General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 24 June 2010, pursuant to which a maximum of 1,456,021,993 Shares may be allotted and issued by the Company. As at the date of this announcement, no Shares have been issued under the General Mandate. The Subscription and the issue of the Subscription Shares are not subject to the Shareholders' approval.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose, the shareholding structure of the Company as at the date of this announcement and immediately after Completion of the Subscription Agreement are as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Subscription Agreement (for illustrative purpose only)	
	Number of	%	Number of	%
	Shares	(approx.)	Shares	(approx.)
China Wind Power Investment Limited (note 1)	2,023,469,387	27.79%	2,023,469,387	27.41%
Gain Alpha Finance Limited (note 2)	2,000,000,000	27.47%	2,000,000,000	27.10%
Pine Coral Limited (note 3)	20,000,000	0.27%	20,000,000	0.27%
Yap Fat Suan, Henry (note 4)	200,000	0.003%	200,000	0.003%
IFC	—	0.00%	101,140,000	1.37%
Other existing public Shareholders	3,236,440,578	44.46%	3,236,440,578	43.85%
Total	<u>7,280,109,965</u>	<u>100.00%</u>	<u>7,381,249,965</u>	<u>100.00%</u>



*Note 1: 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 approximately 65% of the issued shares of Concord International.*

*Note 2: Mr. Ko Chun Shun, Johnson, an executive Director and the vice chairman of the Company, is 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.*

*Note 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.*

*Note 4: Mr. Yap Fat Suan, Henry is an independent non-executive Director.*

As disclosed in the above shareholding table, immediately after the Completion of the Subscription, over 25% of the then issued share capital of the Company will be held by public Shareholders (including IFC).

## **REASONS FOR THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS**

Taking into account the prevailing market conditions, the Directors are of the view that the Subscription is an efficient and cost effective way for the Company to raise additional funds. The Directors consider that the Subscription represents a good opportunity for the Company to further strengthen its capital base so as to provide flexibility for the Company to capture any new investment opportunities if and when opportunities arise.

It is the intention of the Company to use the estimated net proceeds from the Subscription of approximately HK\$77.5 million as the general working capital of the Group for the development of its wind power business.

The Directors consider that the Subscription Agreement was entered into under normal commercial terms following arm’s length negotiations between the Company and IFC and that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITY OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT**

The following table sets out the equity fund raising activities conducted by the Group in the past 12 months immediately preceding the date of this announcement:

<b>Date of the announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual application of the net proceeds</b>
16 July 2009	Placing of existing Shares and subscription of new Shares	Approximately HK\$579 million	Acquisition and pre-development of additional onshore and offshore wind farm resources, expediting wind farm investment and increase in wind power installed capacity and enhancement of facilities and capabilities of engineering, procurement and construction, operation and maintenance services	Used as intended

Save for the above, there have been no other equity fund raising activities carried out by the Company in the 12 months immediately preceding the date of this announcement.

## **THE LOAN AGREEMENT AND THE DEED OF GUARANTEE**

Pursuant to the Loan Agreement dated 30 June 2010 entered into between IFC and 甘肅瓜州協合風力發電有限公司 (Gansu Guazhou Xiehe Wind Power Co., Ltd. the “Guazhou Company”), an indirectly wholly-owned subsidiary of the Company, IFC has agreed, subject to the terms and conditions contained in the Loan Agreement, to provide the Loan to Guazhou Company in an aggregate principal amount of up to US\$152 million (equivalent to approximately HK\$1,185.6 million), with a view to financing the Guazhou Wind Farm Project and the Transformer Station.

The Company has guaranteed the obligations of Guazhou Company under the Loan Agreement and the relevant transaction documents pursuant to a deed of guarantee entered into between the Company and IFC on 2 July 2010. The Group has charged certain assets in favour of IFC in respect of the Loan. The Directors are of the view that the Loan Agreement and ancillary documents are on

normal commercial terms following arm's length negotiations between the Group and IFC and are entered into as part of the Group's normal financing activities, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON IFC**

IFC, an international organization established by the Articles of Agreement among its member countries, is a member of the World Bank Group established in 1956 to foster sustainable economic growth in developing countries by supporting private sector development, mobilizing capital for private enterprises, and providing advisory and risk mitigation services to businesses and governments.

## **GENERAL**

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.

Reference is made to the announcements of the Company dated 3 February 2010 and 31 May 2010 and a circular dated 18 June 2010, in relation to the purchase of wind power electricity generation equipment by Guazhou Company from a supplier in the PRC for the development of the Guazhou Wind Farm Project which constitutes a major transaction of the Company under the Listing Rules and is subject to shareholders' approval at a special general meeting of the Company to be held on 7 July 2010. As set out in the above circular, the purchases from the supplier will be financed by internal resources of the Group and/or borrowings of the project company. The Loan will be used to finance the Guazhou Wind Farm Project and the Transformer Station.

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

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 2 July 2010 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 5 July 2010.

## **BOARD OF DIRECTORS**

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, 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 and Mr. Yap Fat Suan, Henry (who are independent non-executive directors).

## DEFINITIONS

“Affiliate(s)”	any Person, any Person directly or indirectly Controlling, Controlled by or under common Control with, that Person
“Board”	the board of the Directors
“Business Day(s)”	a day when banks are open for business in New York
“CAO”	Compliance Advisor Ombudsman, the independent accountability mechanism for IFC that responds to environmental and social concerns of affected communities and aims to enhance outcomes
“CAO’s Role”	<p>the role of the CAO which is:</p> <ul style="list-style-type: none"><li>(a) to respond to complaints by Persons who have been or are likely to be negatively affected by the social or environmental impacts of IFC projects; and</li><li>(b) to oversee audits of IFC’s social and environmental performance, particularly in relation to sensitive projects, and to ensure compliance with IFC’s social and environmental policies, guidelines, procedures and systems</li></ul>
“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
“Company’s Operations”	existing and future operations, activities and facilities of the Group (including the design, construction, operations, maintenance, management and monitoring thereof as applicable) in respect of manufacturing of wind power facilities and wind power plant investment and operations in the PRC and Hong Kong
“Completion”	completion of the Subscription pursuant to the terms of the Subscription Agreement

“Completion Date”	the date which is at least 10 Business Days (or such shorter period as IFC may agree) from the date of the subscription notice issued by the Company or IFC (as the case may be) and which shall not be later than the long stop date of 15 December 2010 (or such other date as IFC may agree in writing)
“Control”	the power to direct the management or policies of a Person, directly or indirectly, whether through the ownership of shares or other securities, by contract or otherwise; provided that, in any event, the direct or indirect ownership of 30% or more of the voting share capital of a Person is deemed to constitute Control of that Person, and “Controlling” and “Controlled” have corresponding meanings
“Director(s)”	director(s) of the Company
“Encumbrances”	any mortgage, charge (fixed or floating), pledge, lien, option, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or any other security interest of any kind, including retention arrangements, any rights exercisable by third parties and any agreement to create any of the foregoing
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 24 June 2010 to allot, issue and otherwise deal with additional Shares not exceeding 20% of the issued share capital of the company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Guazhou Company”	甘肅瓜州協合風力發電有限公司 (Gansu Guazhou Xiehe Wind Power Co., Ltd.), an indirectly wholly-owned subsidiary of the Company
“Guazhou Wind Farm Project”	design, construction, fabrication, equipping, delivery, installation, commissioning and placing into operation of a 201MW wind power plant located in the Gobi desert, 56.5 km northwest of Guazhou County, Jiuquan City, Gansu Province, the PRC, which is known as “Ganhekou No.8 Wind Power Farm Project in Jiuquan Wind Power Base (酒泉風電基地干河口第八風電廠項目)”
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“IFC”	International Finance Corporation, an international organization established by the Articles of Agreement among its member countries
“Independent Third Party”	a party which is not a connected person (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan to be made by IFC to Guazhou Company pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 30 June 2010 entered into between Guazhou Company and IFC pursuant to which IFC has agreed, subject to the terms and conditions contained in the Loan Agreement, to provide the Loan to Guazhou Company in an aggregate principal amount of up to US\$152 million (equivalent to approximately HK\$1,185.6 million)
“Material Adverse Change”	a material adverse change, or any event or development (including, without limitation, the introduction of any new law or regulation or change in existing laws or regulations (or the judicial interpretation thereof) or any other similar event) involving, or reasonably likely to involve, a material adverse change in the condition, financial, operational, legal or otherwise, or in the earnings, results of operations, business, management, prospects, assets, liabilities or general affairs of the Company or the Group taken as a whole, whether or not arising in the ordinary course of business
“MW”	Megawatt (1,000,000 watts), the commonly used unit of power in quantifying the electricity generation
“Person”	any individual, corporation, company, partnership, firm, voluntary association, joint venture, trust, unincorporated organization, authority or any other entity whether acting in an individual, fiduciary or other capacity
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Related Party”	any Person: (a) that holds a material interest in the Group; (b) in which any of the Company and its subsidiaries holds a material interest; (c) that is otherwise an Affiliate of the Company; (d) who serves (or has within the past 12 months served) as a director, officer or employee of the Company; or (e) who is a member of the family of any individual included in any of the foregoing. For the purpose of this definition, “material interest” shall mean a direct or indirect ownership of shares representing at least 5% of the outstanding voting power or equity of the Company or its subsidiaries
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Equivalents”	preferred shares, bonds, loans, warrants, options or other similar instruments of securities which are convertible into or exercisable or exchangeable for, or which carry a rights to subscribe for or purchase, Shares or any instrument or certificate representing a beneficial ownership interest in the Shares, including global depositary receipts or American depositary receipts
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by IFC pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 30 June 2010 entered into between the Company and IFC pursuant to which the Company has agreed to issue and allot to IFC and IFC has agreed to subscribe for 101,140,000 Subscription Shares
“Subscription Conditions”	the conditions precedent to the Subscription as set out in the Subscription Agreement
“Subscription Price”	HK\$0.77 per Subscription Share (equivalent to approximately US\$0.098868) per Subscription Share (for the purpose of the Subscription Agreement, the Subscription Price has been calculated based on the exchange rate of HK\$1:US\$0.1284)



“Subscription Share(s)”	101,140,000 new Share(s) to be allotted and issued by the Company to IFC pursuant to the Subscription Agreement
“Transformer Station”	a 330KV transformer station located at West Ganhekou, Gansu Province, the PRC, No.4, No.7 and No.8 wind farms, jointly owned by Guazhou Company and other co-owners
“Undertakings”	the undertakings given by the Company to IFC pursuant to the Subscription Agreement (other than the pre-completion undertakings given by the Company as set out in the section headed “Pre-completion undertakings by the Company” in this announcement)
“US\$”	the lawful currency of United States of America
“%”	per cent.

By order of the Board  
**CHINA WINDPOWER GROUP LIMITED**  
**Liu Shunxing**  
*Chairman and Chief Executive Officer*

2 July 2010, Hong Kong

*For the purpose of illustration only, unless otherwise stated, sums in this announcement expressed in US\$ have been translated into HK\$ at the rate of US\$1.00 = HK\$7.80.*