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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)

**DISCLOSEABLE TRANSACTION
FINANCE LEASE ARRANGEMENT**

On 18 December 2012, Taipusiqi Union (a jointly controlled entity owned as to 51% by Century Concord, a wholly-owned subsidiary of the Company) as the lessee and the Lessor entered into the Finance Lease Agreement, pursuant to which Taipusiqi Union has agreed to sell the Equipment to the Lessor at a consideration of RMB250 million (equivalent to approximately HK\$310 million) and the Lessor has agreed to lease back the Equipment to Taipusiqi Union for a term of three years.

Pursuant to the Guarantee Agreements dated 18 December 2012, each of Century Concord and Shanghai Shenhua 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.

The Finance Lease Arrangement constitutes a discloseable transaction of the Company under the Listing Rules thus are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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* *for identification purposes only*

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THE FINANCE LEASE ARRANGEMENT

The Finance Lease Agreement

Date: 18 December 2012

Lessor: The Lessor, a limited liability company established in the PRC and is principally engaged in the business of leasing in the PRC.

Lessee: Taipusiqi Union, a jointly controlled entity of the Company, is held as to 51% by Century Concord and 49% by Shanghai Shenhua.

Subject matter

The Equipment comprises certain machinery and equipment for the operation of the wind farm project of Taipusiqi Union located at Inner Mongolia, the PRC. The finance amount of RMB250 million (equivalent to approximately HK\$310 million) was determined after arm's length negotiation between the parties to the Finance Lease Agreement with reference to, among other things, the original purchase cost of the Equipment of approximately RMB259.7 million (equivalent to approximately HK\$322 million).

The Finance Lease Agreement

Pursuant to the Finance Lease Agreement, the Lessor will purchase the Equipment from Taipusiqi Union at a consideration of RMB250 million (equivalent to approximately HK\$310 million) and the Equipment will be leased back to Taipusiqi Union for a term of three years, for the period from 18 December 2012 to 17 December 2015, at an aggregate lease consideration (including the principal amount of RMB250 million, interest payment of approximately RMB53.3 million, tax payable of approximately RMB9.06 million and handling charge of RMB1.5 million) of approximately RMB313.86 million (equivalent to approximately HK\$389.2 million).

The interest rate payable under the Finance Lease Agreement is calculated on the basis of 16.75% higher of the benchmark lending rate announced by the People's Bank of China for loans with a term of 1 to 3 years (and at the time when the Finance Lease Agreement was entered into such rate

was 6.15% per annum and the interest rate payable at that time was 7.180125% per annum under the Finance Lease Agreement). The interest payment under the Finance Lease Agreement shall be paid in 13 quarterly installments commencing from 18 December 2012. A handling charge of RMB1,500,000 (equivalent to approximately HK\$1.86 million) is payable by Taipusiqi Union to the Lessor upon commencement of the lease period. The principal amount will be repaid as to RMB4 million (equivalent to approximately HK\$4.96 million), RMB10 million (equivalent to approximately HK\$12.4 million) and RMB236 million (equivalent to approximately HK\$292.6 million) in December 2013, 2014 and 2015 respectively.

During the lease period, if there is any adjustment on benchmark lending rate announced by the People's Bank of China for loans with a term of 1 to 3 years, corresponding adjustment will be made to the interest rate under the Finance Lease Agreement on the forthcoming 1 January. The terms and the consideration under the Finance Lease Agreement including the lease payment, the interest rate and the handling charge have been agreed after arm's length negotiation between the parties with reference to the prevailing market practice.

Guarantee

Pursuant to the 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 Guarantee Agreements dated 18 December 2012, each of Century Concord and Shanghai Shenhua 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.

Ownership of the Equipment

During the lease period, the legal ownership of the Equipment will belong to the Lessor. Upon the end of the lease period, Taipusiqi Union can purchase the Equipment at a consideration of RMB100.

Information of the Lessor

The Lessor is a limited liability company established in the PRC and is principally engaged in the business of leasing in the PRC and is held as to 20% by China Power Investment Corporation. According to information published by China Power Investment Corporation, it is one of the five largest electric power groups in the PRC, engaging in hydropower, thermal power, nuclear power and new energies. The Group has formed joint ventures with certain subsidiaries of China Power Investment Corporation. Please refer to the announcements of the Company dated 27 February 2012, 30 November 2012 and 5 December 2012 for the Group's transactions with certain subsidiaries of China Power Investment Corporation.

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

Information on Shanghai Shenhua

Shanghai Shenhua is an investment holding company whose shares are listed on the Shanghai Stock Exchange. Shanghai Shenhua, through its subsidiaries, is engaged in the business of the sale of automobiles and the provision of after sale services of automobiles, wind power generation, real estates, finance and investment and property management.

Shanghai Shenhua and the Group have established a number of jointly controlled entities to undertake wind farm projects in the PRC. Shanghai Shenhua is a substantial shareholder of Taipusiqi Union which is considered to be subsidiary undertakings of the Company under the Listing Rules. Accordingly, Shanghai Shenhua is a connected person of the Company under the Listing Rules.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

The Group is principally engaged in the wind power business and industry, investing in various wind farm projects and providing wind power engineering and construction services in the PRC. Century Concord is a wholly-owned subsidiary of the Company and is an investment holding company.

Taipusiqi Union, a jointly controlled entity of the Company, is held as to 51% by Century Concord and 49% by Shanghai Shenhua and was established on 27 October 2010. It is principally engaged in the investment, development and operation of the wind farm project in Inner Mongolia, the PRC.

It is expected that the financing under the Finance Lease Agreement would be utilised as Taipusiqi Union's general working capital. The Directors are of the view that the Finance Lease Arrangement would enhance the working capital position of Taipusiqi Union by using the Equipment, and would allow Taipusiqi Union to optimise its asset and debt structure through increasing the percentage of long-term financing. There will not be any gain or loss accrued to the Group in its consolidated financial statements pursuant to the sale of the Equipment under the Finance Lease Agreement. The terms under the Finance Lease Agreement, the Security Agreement and the Guarantee Agreements have been agreed after arm's length negotiation between the relevant parties with reference to the prevailing market practice. The Directors consider the terms of the Finance Lease Arrangement fair and reasonable and are in the interest of the Company and the shareholders of the Company as a whole.

Listing rules implications

The Finance Lease Arrangement constitutes a discloseable transaction of the Company under the Listing Rules thus are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to the Guarantee Agreements, each of Century Concord and Shanghai Shenhua as a shareholder of Taipusiqi Union has agreed to provide a guarantee in favour of the Lessor for the payables by Taipusiqi Union under the Finance Lease Agreement according to their respective equity interest in Taipusiqi Union as to 51% and 49% respectively. Since the guaranteed obligations provided by the Group under the relevant Guarantee Agreement is in proportion to the Group's equity interest in Taipusiqi Union on a several basis and on normal commercial terms, the provision of such guarantee by the Group is exempted from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(3) of the Listing Rules. Besides, the guaranteed obligations provided by Shanghai Shenhua, a connected person to the Company under the Listing Rules, for the benefit of the Group on normal commercial terms where no security over the assets of the Group is granted in this regard, the provision of such guarantee by Shanghai Shenhua is exempted from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules.

DEFINITION

“Century Concord”	Century Concord Wind Power Investment Co., Ltd., 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 it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	certain machinery and equipment for the operation of the wind farm project of Taipusiqi Union located at Inner Mongolia, the PRC
“Finance Lease Agreement”	the agreement entered into between Taipusiqi Union and the Lessor dated 18 December 2012
“Finance Lease Arrangement”	the transactions contemplated under the Finance Lease Agreement, the Security Agreement and the Guarantee Agreements

“Group”	the Company and its subsidiaries
“Guarantee Agreement(s)”	the two agreements entered into between (i) Century Concord and the Lessor; and (ii) Shanghai Shenhua and the Lessor both dated 18 December 2012 pursuant to which each of Century Concord and Shanghai Shenhua 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lessor”	Shanghai Ronglian Leasing Shares Co. Ltd.* (上海融聯租賃股份有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Security Agreement”	the agreement dated 18 December 2012 entered into between Taipusiqi Union and the Lessor pursuant to which Taipusiqi Union has pledged its tariff collection rights in favour of the Lessor as security for its amount payable under the Finance Lease Agreement
“Shanghai Shenhua”	Shanghai Shenhua Holdings Co., Ltd. (上海申華控股股份有限公司), an investment holding company whose shares are listed on the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Taipusiqi Union”

Taipusiqi Union Wind Power Co., Ltd.* (太仆寺旗聯合風力發電有限公司)

For illustration purpose of this announcement, the exchange rate of RMB1=HK\$1.24.

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

18 December 2012, Hong Kong

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 and Mr Yap Fat Suan (who are independent non-executive Directors).