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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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).

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### DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF INTEREST IN FUXIN TAIHE

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



**SOMERLEY LIMITED**

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## DEFINITIONS

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

“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”	the disposal of a 49% equity interest in Fuxin Taihe by the Vendor pursuant to the Disposal Agreement
“Disposal Agreement”	the agreement dated 24 November 2011 entered into between the Vendor and the Purchaser in relation to the Disposal and the transactions contemplated thereunder
“Effective Date”	the date when all the conditions precedent of the Disposal Agreement are fulfilled and the Disposal Agreement takes effect
“Fuxin Taihe”	Fuxin Taihe Wind Power Co., Ltd. (阜新泰合風力發電有限公司), a wholly-owned subsidiary of the Company as at the Latest Practicable Date

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## DEFINITIONS

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“Fuxin Wind Farm Project”	design, construction, fabrication, equipping, delivery, installation, commissioning and placing into operation of two wind power plants located in Fuxin, Liaoning Province, the PRC, each with a capacity of 49.5 Megawatt
“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 Disposal
“Independent Shareholders”	independent shareholders of the Company for the purposes of the Disposal, including all Shareholders
“Latest Practicable Date”	12 December 2011, 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), the purchaser under the Disposal Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Liaoning Energy
“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

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## DEFINITIONS

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“Somerley”	Somerley Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in respect of the Disposal, 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
“Vendor”	CWP Energy Ltd (中國風電能源有限公司), a wholly-owned subsidiary of the Company
“%”	per cent

*For the purpose of this circular, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.23.*

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## LETTER FROM THE BOARD

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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)**

*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 Directors:*

Mr. Tsoi Tong Hoo, Tony

*Independent non-executive Directors:*

Dr. Zhou Dadi

Dr. Wong Yau Kar, David, *JP*

Mr. Yap Fat Suan, Henry

*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

*To the Shareholders*

Dear Sir or Madam,

15 December 2011

### **DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF INTEREST IN FUXIN TAIHE**

#### **INTRODUCTION**

With reference to the announcement of the Company dated 24 November 2011, the Company announced that the Vendor, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with Liaoning Energy pursuant to which the Vendor has agreed to dispose of a 49% equity interest in Fuxin Taihe to Liaoning Energy at a consideration of RMB169,122,400 (equivalent to approximately HK\$208.02 million).

\* for identification purpose only

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## LETTER FROM THE BOARD

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Liaoning Energy is a substantial shareholder of certain subsidiaries of the Company (for the purposes of the Listing Rules) and therefore is a connected person of the Company under the Listing Rules. The Disposal constitutes a discloseable transaction and a connected transaction for 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 Gain Alpha Finance Limited and China Wind Power Investment Limited approving the Disposal Agreement and the transactions contemplated thereunder. 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 Disposal Agreement 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, this circular contains, among other matters, further details of the Disposal and the transactions contemplated thereunder, a letter from the Independent Board Committee to the Independent Shareholders and a letter from Somerley to the Independent Board Committee and the Independent Shareholders.

### THE DISPOSAL AGREEMENT

#### Date

24 November 2011

#### Parties

Vendor: CWP Energy Ltd

Purchaser: Liaoning Energy

Liaoning Energy is a large state-owned enterprise affiliated with the State-owned Assets Supervision and Administration Commission of Liaoning Province. Its establishment was approved by the People's Government of Liaoning Province. Authorised by the provincial government, Liaoning Energy invests in and manages provincial electric power assets.

As Liaoning Energy is a substantial shareholder of certain subsidiaries of the Company (for the purposes of the Listing Rules), Liaoning Energy is a connected person of the Company under the Listing Rules.

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## LETTER FROM THE BOARD

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### **Assets involved**

Pursuant to the Disposal Agreement, the Vendor has agreed to sell and transfer its 49% equity interest in Fuxin Taihe to Liaoning Energy.

Fuxin Taihe was established on 10 September 2009. Fuxin Taihe is principally engaged in the investment, development and operation of the Fuxin Wind Farm Project in Fuxin, Liaoning Province of the PRC. The Fuxin Wind Farm Project is in the process of construction and development and is expected to commence operations by the end of this year.

As at 31 October 2011, Fuxin Taihe had net assets of approximately RMB299.38 million (equivalent to approximately HK\$368.24 million).

For the period ended 31 December 2009 (since its establishment on 10 September 2009), the audited loss of Fuxin Taihe (both before and after taxation) amounted to approximately RMB0.26 million (equivalent to approximately HK\$0.32 million). For the year ended 31 December 2010, the audited loss of Fuxin Taihe (both before and after taxation) amounted to approximately RMB30,000 (equivalent to approximately HK\$36,900).

As at the Latest Practicable Date, Fuxin Taihe was a wholly-owned subsidiary of the Company. Fuxin Taihe was owned as to 51% by Century Concord and 49% by the Vendor (both wholly-owned subsidiaries of the Company). Upon completion of the Disposal, Fuxin Taihe will be owned as to 51% by Century Concord and 49% by Liaoning Energy, and Fuxin Taihe will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company using equity method of accounting.

### **Consideration**

The consideration for the Disposal is RMB169,122,400 (equivalent to approximately HK\$208.02 million) which shall be payable by the Purchaser to the Vendor as follows:

- (i) 50% of the consideration within three business days after the Effective Date; and
- (ii) the remaining 50% of the total consideration within three business days after completion of the change of shareholders of Fuxin Taihe in Fuxin Administration for Industry and Commerce pursuant to the Disposal.



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## LETTER FROM THE BOARD

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Due to procedures in relation to the making of consideration payment by the Purchaser to the Vendor in the PRC, the Purchaser will pay the Vendor the first payment of 50% of the consideration as soon as possible after the transfer of the 49% equity interest in Fuxin Taihe to the Purchaser. The Purchaser will pay the remaining 50% of the consideration according to the terms of the Disposal Agreement.

The consideration for the Disposal was determined after arm's length negotiations between the parties. In agreeing with the terms, the Group had considered, among other factors, the net asset value of Fuxin Taihe, and its capital and development plan.

For illustrative purpose only, the Group would record an unaudited gain of approximately HK\$27 million as a result of the Disposal based on the difference between the consideration for the Disposal and the net asset value as at 31 October 2011 attributable to the 49% equity interest in Fuxin Taihe being sold by the Group. The actual amount of gain or loss on the Disposal shall depend on the actual financial information of Fuxin Taihe as at the date of completion of the Disposal. The proceeds from the Disposal will be used as general working capital of the Group.

### **Conditions precedent and completion**

The Disposal Agreement shall take effect upon obtaining Shareholders' approval in respect of the Disposal. A closely allied group of shareholders of the Company has given written approval for the Disposal as set out under the paragraph headed "Listing Rules and written shareholders' approval" in this circular. The Disposal Agreement has taken effect.

The Disposal shall complete before 15 December 2011 pursuant to the Disposal Agreement.

### **Board composition of Fuxin Taihe**

After completion of the Disposal, it is intended that Fuxin Taihe will have five directors of which Century Concord will appoint three directors and Liaoning Energy will appoint two directors and the chairman will be appointed by Century Concord and the passing of any resolution at the board meeting of Fuxin Taihe will require the approval of two-thirds of the directors.

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## LETTER FROM THE BOARD

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### REASON FOR AND BENEFITS OF THE DISPOSAL

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. Fuxin Taihe is principally engaged in the investment, development and operation of the Fuxin Wind Farm Project in Fuxin, Liaoning Province of the PRC. The Fuxin Wind Farm Project is in the process of construction and development.

It is a business strategy of the Group to cooperate jointly with partners in the PRC in respect of its wind farm investments. 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 is a joint venture partner of a number of the Group's joint ventures. The Directors consider that the Disposal represents a good opportunity for the Group to realise part of its investment in the Fuxin Wind Farm Project whilst the Group will continue to enjoy the development of this project as a majority shareholder leveraging on the experience, expertise and resources of the Purchaser. The Directors consider that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

### LISTING RULES AND WRITTEN SHAREHOLDERS' APPROVAL

Liaoning Energy is a substantial shareholder of certain subsidiaries of the Company (for the purposes of the Listing Rules) and therefore is a connected person of the Company under the Listing Rules. The Disposal constitutes a discloseable transaction and a connected transaction for 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 64.64% 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.

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## LETTER FROM THE BOARD

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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 Disposal Agreement and the transactions contemplated thereunder 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 Disposal Agreement and the transactions contemplated thereunder. The Company has obtained a written shareholders' approval from Gain Alpha Finance Limited and China Wind Power Investment Limited approving the Disposal Agreement and the transactions contemplated thereunder. 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 Disposal Agreement 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 Disposal Agreement was approved by the Board. As no Director has a conflict of interest in respect of the Disposal, no Director abstained from voting in respect of board resolution approving the Disposal Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Disposal Agreement and the transactions contemplated thereunder. Having considered Somerley's opinion that the terms of the Disposal are 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 Disposal, the Independent Board Committee would recommend the Independent Shareholders to vote in favour of the resolution to approve the Disposal.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal 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 Disposal, the Directors would recommend the Shareholders to vote in favour of the resolution for approving the Disposal.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

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

This circular is issued for Shareholders' information.

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)**

15 December 2011

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF INTEREST IN FUXIN TAIHE**

We refer to the circular of the Company dated 15 December 2011 (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 Disposal.

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 13 to 24 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 10 of the Circular and the additional information set out in the appendix of the Circular.

Having considered the terms of the Disposal Agreement and the advice of Somerley, we are of the opinion that the terms of the Disposal Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, were a special general meeting convened for the Disposal, we would recommend the

\* for identification purpose only

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Independent Shareholders to vote in favour of the resolution to approve the Disposal.

Yours faithfully,  
Independent Board Committee of  
**China WindPower Group Limited**

**Dr. Zhou Dadi**  
*Independent*  
*non-executive Director*

**Dr. Wong Yau Kar, David, JP**  
*Independent*  
*non-executive Director*

**Mr. Yap Fat Suan, Henry**  
*Independent*  
*non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*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**

10th Floor  
The Hong Kong Club Building  
3A Chater Road  
Central  
Hong Kong

15 December 2011

*To: the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF INTEREST IN FUXIN TAIHE**

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed disposal by the Company of a 49% equity interest in Fuxin Taihe to Liaoning Energy pursuant to the Disposal Agreement. Fuxin Taihe is 100% owned by the Group as at the Latest Practicable Date. Details of the Disposal are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 15 December 2011 (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.

Liaoning Energy is a substantial shareholder of certain subsidiaries of the Company (for the purposes of the Listing Rules), and therefore Liaoning Energy is a connected person of the Company under the Listing Rules. The Disposal constitutes a discloseable and connected transaction for the Company under the Listing Rules, and is subject to the reporting, announcement and 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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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4,023,469,387 Shares representing approximately 54.4% of the existing issued share capital of the Company as at the date of the announcement of 24 November 2011 and as at the Latest Practicable Date), to approve the Disposal Agreement and the transactions contemplated thereunder. Pursuant to Rule 14A.43 of the Listing Rules, the Company has applied for and received a waiver from the Stock Exchange accepting such written Shareholders' approval and therefore no Shareholders' meeting will be held in this regard.

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Dr. Zhou Dadi, Dr. Wong Yau Kar, David JP and Mr. Yap Fat Suan, Henry has been established to consider and make a recommendation to the Independent Shareholders on whether (1) the terms of the Disposal are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (2) the Disposal is 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 are 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 and Liaoning Energy, nor have we carried out any independent verification of the information supplied.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether (a) the terms of the Disposal are on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned; and (b) the Disposal is 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 Disposal Agreement

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. The Group's wind power businesses primarily involve (a) wind power investments and operations including, among other things, investment in wind power plants, power generation, wind resources and project development; and (b) wind power services including wind power consultancy and design, wind power engineering and construction services, wind power tower tube equipment manufacturing, and wind power plant operation and maintenance service. It was stated in the 2010 annual report that the Group implemented its strategy of “developing southward, overseas and towards solar energy” and expanded areas of business development. During the six months ended 30 June 2011, the Group had one solar power project under construction, and expanded into the solar power generation and drove forward the development and expansion into consultancy and design, engineering and construction, operation and maintenance, equipment manufacturing and other services segments of solar power plant.

It was disclosed in the 2011 interim report that the Group began to build more wholly-owned power plants, adopting a “build and sell” strategy — build wholly-owned power plants and sell down a partial stake upon completion or operation. The Group is experienced in building and constructing wind power plants. Upon completion of construction or operation of wind power plants, the Group can bargain for a higher price for the disposal of a partial stake of the plants. Accordingly, the executive 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 premium.

Fuxin Taihe is principally engaged in the investment, development and operation of the Fuxin Wind Farm Project in Fuxin, Liaoning Province of the PRC. The wind farm is being constructed and developed by the Group and is expected to commence operations by end of this year.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Liaoning Energy is a state-owned enterprise in the PRC owned by the State-owned Assets Supervision and Administration Commission of Liaoning Provincial Government. Liaoning Energy was established in 1985 and is principally engaged in the development of power, high technology and energy saving projects, manufacturing and sale of related equipment and facilities in the PRC. As advised by the executive Directors, Liaoning Energy is one of the leading power companies in Liaoning Province. Liaoning Energy is one of joint venture partners of the Group for undertaking wind farm projects, and the Group maintains a good and stable relationship with Liaoning Energy for development of the Group's wind power business. On this basis, the executive Directors regard Liaoning Energy as a strategic partner of the Group.

The Group entered into the Disposal Agreement with Liaoning Energy to dispose of a 49% equity interest of Fuxin Taihe. Substantial capital is required for developing the wind farm and facilities. The Disposal assists the Group to spread the capital risk and alleviate the pressure on cashflow. Moreover, the Group can leverage on the expertise of Liaoning Energy to develop and operate the Fuxin Wind Farm Project.

The executive Directors believe that the Disposal will further foster the Group's relationship with Liaoning Energy. Being a leading power company in Liaoning Province and a state-owned enterprise, the executive Directors are of the view that the Group can leverage on Liaoning Energy's established business relationship with PRC banks to help fund the wind farm business of Fuxin Taihe if external bank borrowing is required for Fuxin Taihe in the future.

Based on the audited net assets of Fuxin Taihe of approximately RMB299.38 million (equivalent to approximately HK\$368.24 million) as at 31 October 2011, and the consideration for the Disposal of approximately RMB169.1 million (equivalent to approximately HK\$208.02 million) pursuant to the Disposal Agreement, the executive Directors estimate that the Group would record a non-recurring gain of approximately HK\$27 million as a result of the Disposal. The actual amount of gain or loss on the disposal shall depend on the actual financial information of Fuxin Taihe as at the date of completion of the Disposal.

On this basis, we concur with the executive Directors' view that the Disposal represents a good opportunity for the Group to realise part of its investment in the Fuxin Wind Farm Project whilst the Group will continue to enjoy the development of this project as a majority shareholder. Moreover, we are of the view that the Disposal is in line with the "build and sell" strategy adopted by the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Principal terms of the Disposal Agreement

On 24 November 2011, CWP Energy Ltd, a wholly-owned subsidiary of the Company (as the Vendor), entered into the Disposal Agreement with Liaoning Energy (as the Purchaser), pursuant to which the Vendor has agreed to dispose of a 49% equity interest in Fuxin Taihe to Liaoning Energy. Principal terms of the Disposal Agreement are as follows:

- (i) The total consideration for the Disposal amounts to RMB169,122,400 (equivalent to approximately HK\$208.02 million). Pursuant to the Disposal Agreement, 50% of the consideration shall be payable by the Purchaser to the Vendor within three business days after the Effective Date. The remaining 50% of the consideration shall be paid by the Purchaser to the Vendor within three business days after completion of the registration of the change of shareholders of Fuxin Taihe in Fuxin Administration for Industry and Commerce pursuant to the Disposal. Due to procedures in relation to the making of consideration payment by the Purchaser to the Vendor in the PRC, the Purchaser will pay the Vendor the first payment of 50% of the consideration as soon as possible after the transfer of the 49% equity interest in Fuxin Taihe to the Purchaser. The Purchaser will pay the remaining 50% of the consideration according to the terms of the Disposal Agreement; and
- (ii) The Disposal Agreement shall take effect upon obtaining the Shareholders' approval. As set out under the paragraph headed "Listing Rules and written Shareholders' approval" in the "Letter from the Board" of this Circular, a closely allied group of Shareholders of the Company has already given written approval for the Disposal. Accordingly, the Disposal Agreement has taken effect. It is expected by the executive Directors that completion of the Disposal shall take place before 15 December 2011 pursuant to the Disposal Agreement.

After completion of the Disposal, Fuxin Taihe will be owned as to 51% by Century Concord (a wholly-owned subsidiary of the Company) and 49% by Liaoning Energy, and, according to the Company's accounting policies, it will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company. After completion of the Disposal, it is intended that out of the five directors of Fuxin Taihe, three directors will be appointed by Century Concord and two directors will be appointed by Liaoning Energy. The chairman of Fuxin Taihe is to be appointed by Century Concord. However, approval from two-thirds of the directors will be required for passing of any resolution at board meetings of Fuxin Taihe.

### 3. Information on Fuxin Taihe

As set out in the paragraph headed “Background to and reasons for the Disposal Agreement” of this letter, Fuxin Taihe is principally engaged in the investment, development and operation of the Fuxin Wind Farm Project. This project involves the design, construction, fabrication, equipping, delivery, installation, commissioning and placing into operation of two wind power plants located in Fuxin, Liaoning Province of the PRC. Each wind power plant has a capacity of 49.5 Megawatt and both are under construction. It is expected by the executive Directors that the wind power plants shall commence operations by end of this year.

As at 31 October 2011, Fuxin Taihe had audited net assets of approximately RMB299.38 million (equivalent to approximately HK\$368.24 million). For the period ended 31 December 2009 (since its establishment on 10 September 2009), the audited loss of Fuxin Taihe (both before and after taxation) amounted to approximately RMB0.26 million (equivalent to approximately HK\$0.32 million). For the year ended 31 December 2010, the audited loss of Fuxin Taihe (both before and after taxation) amounted to approximately RMB30,000 (equivalent to approximately HK\$36,900). As the Fuxin Wind Farm Project was under construction, Fuxin Taihe did not generate any revenue but just recorded operating expenses. This resulted in losses for the period ended 31 December 2009 and for the year ended 31 December 2010.

### 4. Evaluation of the consideration

As advised by the executive Directors, the total consideration for the Disposal of RMB169,122,400 (equivalent to approximately HK\$208.02 million) is determined after arm’s length negotiations between the parties, and based on, among other things, the net asset value of Fuxin Taihe, its capital and its development plans. Due to the past performance of Fuxin Taihe as set out in the paragraph headed “Information on Fuxin Taihe” of this letter, and bearing in mind that the Fuxin Wind Farm Project is still in the process of construction and development, and recorded losses for the period ended 31 December 2009 and for the year ended 31 December 2010, we consider that the use of net asset value as the basis for determining the consideration for the Disposal is appropriate. As Fuxin Taihe incurred losses for the period ended 31 December 2009 and for the year ended 31 December 2010, the historical price to earnings multiple for the Disposal cannot be calculated. Fuxin Taihe had an audited net asset value of approximately RMB299.38 million (equivalent to approximately HK\$368.24 million) as at 31 October 2011. Based on consideration of RMB169,122,400 for the 49% equity interest in Fuxin Taihe, the

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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entire equity interest of Fuxin Taihe is valued at approximately RMB345.15 million. On this basis, the historical price to book multiple (“PBR”) for the Disposal is approximately 1.15 times.

In our evaluation of the fairness and reasonableness of the consideration for the Disposal, we have, based on information available from the website of the Stock Exchange, searched and reviewed other acquisitions of interests in companies engaging or to be engaged in PRC wind farm operations, which were announced from 1 January 2011 up to the day before the Latest Practicable Date (the “Comparable Transactions”). The following table summarises our complete findings (on a best efforts basis), the historical PBR represented by the consideration and net asset value of the subject matters of the Comparable Transactions:

Company name	Date of announcement	Consideration (approximate)	Net asset value of the subject matters attributable to the extent of interests being acquired (approximate)	Historical PBR (approximate times)
China Ruifeng Galaxy Renewable Energy Holdings Limited (“China Ruifeng”) (stock code: 527)	12 January 2011	RMB50.8 million (Note 1)	RMB29.3 million (5.77% of approximately RMB507.2 million)	1.73
	25 January 2011	RMB31.5 million	RMB22.8 million (70% of approximately RMB32.5 million)	1.38
China Suntien Green Energy Corporation Limited (stock code: 956)	28 March 2011	RMB46.7 million	RMB45.1 million (25% of approximately RMB180.3 million)	1.04
China Longyuan Power Group Corporation Limited (“China Longyuan Power”) (stock code: 916)	7 November 2011	RMB1,432.0 million (Note 2)	RMB1,126.8 million (Note 2)	1.27
<b>Mean</b>				<b>1.36</b>
<b>The Disposal</b>				<b>1.15</b>

Source: Published announcements and circulars relating to the above transactions.

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*Notes:*

- (1) As set out in China Ruifeng's circular dated 14 February 2011, the acquisition agreement contained a term for profit guarantee. Should the actual audited net profit after tax of the target for the financial year ended 31 December 2010 be less than the guaranteed profit, the vendors and the guarantor shall pay a sum to China Ruifeng. As set out in China Ruifeng's announcement dated 8 April 2011, the independent non-executive directors have reviewed the net profit after tax of the target and are of the opinion that the vendors and the guarantor have fulfilled their obligations under the aforesaid profit guarantee.
- (2) China Longyuan Power announced the acquisition of wind power business and biomass power business on 7 November 2011. We have calculated (i) the total consideration for acquisition of interests related to wind farms and (ii) net assets value attributable to the extent of interests of wind farms being acquired with reference to the considerations and net assets values related to those wind farms only. For one particular wind farm, the total asset figure was used in the calculation as the transaction involved acquisition of the wind farm assets and businesses only.

The historical PBR of the Comparable Transactions ranged from approximately 1.04 to 1.73 times, with a mean of approximately 1.36 times. The historical PBR of Fuxin Taihe of approximately 1.15 times represented by the Disposal consideration is lower than the mean but within the range of the historical PBR of the Comparable Transactions.

In evaluating the consideration for the Disposal, we have also searched all comparable companies listed in Hong Kong which are principally engaged in wind farm business by reference to their latest published interim reports. Based on such criteria, we have identified the following complete list of comparable companies (the "Comparable Companies") on a best efforts basis:

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Company name	Market capitalisation as at the day before the Latest Practicable Date <i>(Note 1)</i> <i>HK\$ million</i>	Unaudited consolidated net assets attributable to its shareholders <i>(Note 2)</i> <i>HK\$ million</i>	Historical PBR <i>(Note 3)</i> <i>Approximate times</i>
China Renewable Energy Investment Limited (stock code: 987)	648.00	1,739.895	0.372
China Datang Corporation Renewable Power Co., Limited (stock code: 1798)	10,493.01	11,045.093	0.950
Huaneng Renewables Corporation Limited (stock code: 958)	14,979.54	13,501.255	1.109
<b>Mean</b>			<b>0.810</b>
<b>Fuxin Taihe</b>			<b>1.15</b>

*Notes:*

1. Source: Bloomberg
2. The figures are extracted from the latest published interim report of the Comparable Companies, and, where applicable, the amounts in Renminbi are translated into HK\$ at the exchange rate of RMB1 to HK\$1.23.
3. The historical PBR of the Comparable Companies is calculated based on its unaudited consolidated net assets attributable to its shareholders as at 30 June 2011 and its closing market capitalisation as at the day before the Latest Practicable Date.

As indicated in the table above, the historical PBR of the Comparable Companies ranged from approximately 0.372 times to 1.109 times, with a mean of approximately 0.810 times. The historical PBR of Fuxin Taihe of approximately 1.15 times represented by the Disposal consideration is higher than both of the historical PBR of the Comparable Companies and the mean.

### 5. Financial effects of the Disposal on the Group

Following completion of the Disposal, Fuxin Taihe will be owned as to 51% by Century Concord, a wholly-owned subsidiary of the Company, and will become a jointly controlled entity of the Company in the consolidated financial statements of the Company.

#### *(a) Earnings*

Based on the audited net asset value of Fuxin Taihe as at 31 October 2011 attributable to the 49% equity interest in Fuxin Taihe being sold by the Group, and the consideration for the Disposal pursuant to the Disposal Agreement, the executive Directors expect that the Group would record an unaudited gain of approximately HK\$27 million as a result of the Disposal. Such gain is non-recurring in nature and will be reflected in the profit and loss account of the Group for the year ending 31 December 2011 assuming completion of the Disposal takes place in that financial year. The actual gain or loss on the Disposal to be recognised by the Group, which will be calculated by reference to the financial position of Fuxin Taihe at the time of completion of the Disposal, may be different from the above figure, but is not expected to be materially different as advised by the executive Directors.

Upon completion of the Disposal, Fuxin Taihe will cease to be a subsidiary of the Company and will be accounted for as a jointly controlled entity of the Company in the consolidated financial statements of the Company. According to the accounting policies of the Company, investments in jointly controlled entities are accounted for using the equity method of accounting. Accordingly, the results of Fuxin Taihe will not be consolidated into the consolidated financial statements of the Company and the Company will record the Group's share of profits or losses in Fuxin Taihe in the consolidated income statement after completion of the Disposal.



**(b) *Net asset value***

Based on the audited net asset value of Fuxin Taihe of approximately RMB299.38 million (equivalent to approximately HK\$368.24 million) as at 31 October 2011, and the consideration for the Disposal of approximately RMB169.12 million (equivalent to approximately HK\$208.02 million) pursuant to the Disposal Agreement, it is expected by the executive Directors that the consolidated net asset value of the Group attributable to the Shareholders will increase by approximately HK\$27 million, which represents the estimated gain on the Disposal as a result of the sale of 49% interest in Fuxin Taihe at a price above its underlying net asset value recorded by the Group. We consider the increase in consolidated net assets of the Group of approximately HK\$27 million as a result of the Disposal is beneficial to the Group and the Shareholders as a whole.

As stated above, upon completion of the Disposal, Fuxin Taihe will be accounted for using the equity method of accounting in the consolidated financial statement of the Company. As a result, assets and liabilities of Fuxin Taihe will not be consolidated into the consolidated balance sheet of the Company upon completion of the Disposal.

**(c) *Cashflow***

As advised by the executive Directors, the Company intends to use the proceeds from the Disposal as general working capital of the Group. In view of the proceeds to be available to the Group after the Disposal, we are of the view that the cashflow position of the Group would be enhanced as a result of the Disposal. Moreover, with the introduction of Liaoning Energy as a joint venture partner for the Fuxin Wind Farm Project, Liaoning Energy will contribute to the funding need of Fuxin Taihe for the development and operation of the wind farm. This can alleviate the working capital pressure on the Group if Fuxin Taihe requires further shareholders' funding to support its business in the future.

Taking into account the improvement in earnings, net assets and cashflow position of the Group after the Disposal, we consider that the Disposal is, from a financial perspective, in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### OPINION

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

Yours faithfully,  
for and on behalf of  
**SOMERLEY LIMITED**  
**M. N. Sabine**  
*Chairman*

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 INTERESTS

(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 Companies in the Listing Rules, to be notified to the Company and the Stock Exchange:

(a) Long positions in the Shares:

Name of the Director	Number of shares held and nature of interest				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate	Total	
Liu Shunxing	—	—	2,023,469,387 <sup>1</sup>	2,023,469,387	27.37
Ko Chun Shun, Johnson	—	—	2,000,000,000 <sup>2</sup>	2,000,000,000	27.05

Name of the Director	Number of shares held and nature of interest				Approximate percentage of the total issued share capital (%)
	Personal	Family	Corporate	Total	
Wang Xun	—	—	2,023,469,387 <sup>1</sup>	2,023,469,387	27.37
Yang Zhifeng	—	—	2,023,469,387 <sup>1</sup>	2,023,469,387	27.37
Liu Jianhong	1,210,000	—	2,023,469,387 <sup>1</sup>	2,024,679,387	27.38
Ko Wing Yan, Samantha	—	—	20,000,000 <sup>3</sup>	20,000,000	0.27
Dr. Wong Yau Kar, David, JP	400,000	—	—	400,000	0.005
Yap Fat Suan, Henry	200,000	—	—	200,000	0.003

Notes:

- 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 64.64% of the issued shares of Concord International, and the above four Directors are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.
- 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.
- 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 <i>HK\$</i>	Number of share options outstanding
Liu Shunxing	1 April 2008	0.45	5,000,000
	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	1 April 2008	0.45	3,600,000
	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	1 April 2008	0.45	900,000
	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	1 April 2008	0.45	900,000
	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 <i>HK\$</i>	Number of share options outstanding
Chan Kam Kwan, Jason	1 April 2008	0.45	1,000,000
	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	1 April 2008	0.45	1,200,000
	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, <i>JP</i>	1 April 2008	0.45	400,000
	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	1 April 2008	0.45	600,000
	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 2010, 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, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(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 <i>(Note)</i>	2,023,469,387	27.37

*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 64.64% of the issued shares of Concord International, and the above four Directors are also the directors of Concord International, New Energy International Limited and China Wind Power Investment Limited.



(b) As at the Latest Practicable Date, the following corporation (not being a member of the Group, a Director or the chief executive of the Company) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the following member of the Group:

Name of the jointly controlled entities	Name of shareholder	Percentage of interest in the jointly equity controlled entities
阜新巨龍湖風力發電有限公司 (Fuxin Julonghu Wind Power Co., Ltd.*)	遼寧能源投資(集團) 有限責任公司 (“Liaoning Energy”)	40%
阜新千佛山風力發電有限公司 (Fuxin Qianfoshan Wind Power Co., Ltd.*)	Liaoning Energy	40%
阜新聚緣風力發電有限公司 (Fuxin Juyuan Wind Power Co., Ltd.*)	Liaoning Energy	40%
阜新聚合風力發電有限公司 (Fuxin Juhe Wind Power Co., Ltd.*)	Liaoning Energy	40%
朝陽協合聚泉風力發電有限公司 (Chaoyang Century Concord Juquan Wind Power Co., Ltd.*)	Liaoning Energy	45%
康保協合風力發電有限公司 (Kangbao Century Concord Wind Power Co., Ltd.*)	天津德恒風電投資 有限公司 (Tianjin DH Power Investment Limited*)	49%
朝陽協合萬家風力發電有限公司 (Chaoyang Century Concord Wanjia Wind Power Co., Ltd*)	Liaoning Energy	45%

\* for identification purpose only

		Percentage of interest in the jointly equity controlled entities
Name of the jointly controlled entities	Name of shareholder	
太僕寺旗聯合風力發電有限公司 (Taipusiqi Union Wind Power Co., Ltd*)	上海申華風電新能源 有限公司 (Shanghai Shenhua Wind Power New Energy Co., Ltd.*)	49%

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, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. 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)).

4. EXPERT AND CONSENT

The following are the qualifications of the expert who has provided a letter which is contained 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

As at the Latest Practicable Date, Somerley Limited 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.

Somerley Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Somerley Limited 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 2010, being the date to which the latest published audited financial statements of the Group were made up.

## **5. NO MATERIAL ADVERSE CHANGE**

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 2010, the date to which the latest published audited financial statements of the Group were made up.

## **6. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Disposal Agreement is 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 29 December 2011.

## **7. MISCELLANEOUS**

- 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.