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China WindPower Group Limited
(Incorporated in Bermuda with limited liability)
(Stock code: 182)

**ISSUANCE OF CNY750,000,000 6.375% GUARANTEED BONDS
DUE 2014**

Reference is made to the Announcement of the Company dated 22 March 2011 in relation to the Proposed Bonds Issue.

On 29 March 2011, the Company and the Subsidiary Guarantors entered into the Subscription Agreement with HSBC (as sole lead manager and sole bookrunner) in connection with the issue of CNY750,000,000 6.375% guaranteed bonds due 2014.

The estimated net proceeds of the Bonds Issue, after deducting underwriting fees but before the deduction of expenses payable by the Company will amount to approximately CNY736,875,000, and is intended to be used by the Company for general corporate purposes, to fund its working capital and to fund additional wind farm investment and development. The Company may adjust the foregoing plans in response to changing market conditions and circumstances and thus, may reallocate the use of proceeds.

Approval in-principle has been obtained for the listing and quotation of the Bonds on the SGX-ST. Admission of the Bonds to the official list of the SGX-ST and quotation of the Bonds on the SGX-ST are not to be taken as an indication of the merits of the Company, its subsidiaries, or the Bonds. No listing of the Bonds has been sought in Hong Kong.

Reference is made to the announcement of the Company dated 22 March 2011 in relation to the Proposed Bonds Issue (the “**Announcement**”). Unless the context requires otherwise, terms used in this announcement shall have the same meaning as those defined in the Announcement.

On 29 March 2011, the Company and the Subsidiary Guarantors entered into the Subscription Agreement with HSBC in connection with the issue of CNY750,000,000 6.375% guaranteed bonds due 2014.

THE SUBSCRIPTION AGREEMENT

Date

29 March 2011

Parties to the Subscription Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) HSBC.

HSBC is the sole lead manager and sole bookrunner in respect of the offer and sale of the Bonds. HSBC is also the initial purchaser of the Bonds. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, HSBC is not a connected person of the Company.

The Bonds Issue will only be offered or sold (1) outside the United States in reliance on Regulation S under the Securities Act, (2) to “professional investors” as defined in the SFO and any rules made under the SFO or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (3) certain qualified institutional investors in Asia and Europe.

Principal terms of the Bonds

Bonds offered

Subject to certain conditions to completion, the Company will issue the Bonds in the aggregate principal amount of CNY750,000,000 which will mature on 4 April 2014, unless earlier redeemed pursuant to the terms thereof.

Offering price

The offering price of the Bonds will be 100% of the principal amount of the Bonds.

Interest

The Bonds will bear interest from, and including the Issue Date at the rate of 6.375% per annum, payable in arrear on 4 April and 4 October in each year (each, an “**Interest Payment Date**”), commencing on 4 October 2011.

Ranking of the Bonds

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company which will at all times rank *pari passu* without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Guarantee of the Bonds

According to the Trust Deed, the Subsidiary Guarantors will jointly and severally, unconditionally and irrevocably guarantee the due and punctual payment in full of all sums from time to time payable by the Company in respect of the Bonds. This guarantee (“**Guarantee of the Bonds**”) constitutes direct, general and unconditional obligations of each of the Subsidiary Guarantors which will at all times rank *pari passu* with all other present and future unsecured obligations of such Subsidiary Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The initial Subsidiary Guarantors will consist of all of the Company’s subsidiaries other than subsidiaries established under the laws of the PRC.

The Company will cause each of its future subsidiaries (other than subsidiaries organized under the laws of the PRC), as soon as practicable and in any event within 14 days after becoming a subsidiary, to execute and deliver to the Trustee a supplemental deed to the Trust Deed in accordance with the terms of the Trust Deed, pursuant to which such subsidiary will, jointly and severally with the existing Subsidiary Guarantors, guarantee the due payment in full of all sums expressed to be payable by the Company under the Trust Deed and the Bonds and be bound by all other provisions of the Trust Deed. A Subsidiary Guarantor may be released from the Guarantee of the Bonds upon the occurrence of certain events prescribed under the Trust Deed.

Events of default

The events of default (the “**Events of Default**”) under the Bonds include, among others,

- (a) Non-payment: the Company or a Subsidiary Guarantor fails to pay any amount of principal in respect of the Bonds or the Guarantee of the Bonds, as the case may be, on the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds or the Guarantee of the Bonds, as the case may be, within five days of the due date for payment thereof;
- (b) Breach of other obligations: the Company or a Subsidiary Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy remains unremedied for 30 days after the Trustee has given written notice thereof to the Company;
- (c) Cross-default of the Company, the subsidiaries or affiliates:
 - (i) any Indebtedness of the Company or any of its subsidiaries or affiliates is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Company or (as the case may be) the relevant subsidiary or affiliate or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
 - (iii) the Company or any of its subsidiaries or affiliates fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds US\$7,500,000 (or its equivalent in any other currency or currencies);

- (d) Unsatisfied judgment: one or more judgment(s) or order(s) is rendered against the Company or any of its subsidiaries or affiliates and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment;
- (e) Security enforced: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Company or any of its subsidiaries or affiliates and such action or appointment it is not discharged within 30 days of its occurrence;
- (f) Insolvency: (i) the Company or any of its subsidiaries or affiliates becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Company or any of its subsidiaries or affiliates or the whole or any part of the undertaking, assets and revenues of the Company or any of its subsidiaries or affiliates is appointed (or application for any such appointment is made), (iii) the Company or any of its subsidiaries or affiliates takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Company or any of its subsidiaries or affiliates ceases or threatens to cease to carry on all or any substantial part of its business;
- (g) Winding up: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Company or any of its subsidiaries or affiliates, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an extraordinary resolution (as defined in the Trust Deed) of the bondholders, or (ii) in case of a subsidiary, whereby the undertaking and assets of such subsidiary are transferred to or otherwise vested in the Company or another of its subsidiaries;
- (h) Government intervention: (i) all or any part of the undertaking, assets and revenues of the Company or any of its subsidiaries or affiliates is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Company or any of its subsidiaries or affiliates is prevented by any such person from exercising normal control over all or any part of its undertaking, assets and revenues;

- (i) Analogous event: any event occurs which under the laws of Hong Kong, Bermuda or the British Virgin Islands has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (h) (*Government intervention*) above;
- (j) Failure to take action: any action or condition at any time required to be taken, fulfilled or done in order (i) to enable the Company and the Subsidiary Guarantors lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Bonds or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Bonds, the Trust Deed, the Guarantee of the Bonds or the Agency Agreement admissible in evidence in the courts of England is not taken, fulfilled or done;
- (k) Unlawfulness: it is or will become unlawful for the Company or any Subsidiary Guarantor to perform or comply with any of its obligations under or in respect of the Bonds, the Trust Deed or the Agency Agreement; or
- (l) Guarantee: the Guarantee of the Bonds is not (or is claimed by any Subsidiary Guarantor not to be) in full force and effect.

An “**affiliate**” as mentioned in this section means any entity (I) (i) of which 50% or more of its issued share capital is directly, or indirectly through one or more intermediaries, owned or held by, the Company, (ii) for which the Company or any of its subsidiaries may nominate or appoint a majority of the members of the board of directors or such other body performing similar functions or (iii) which is otherwise effectively controlled, directly or indirectly, by the Company and (II) the lender(s) of the indebtedness of such entity has recourse to the Company or its subsidiaries or its other affiliates for the obligations owed by such entity (whether under a guarantee granted by the Company or any of its subsidiaries or its other affiliates or otherwise).

If an Event of Default occurs, then the Trustee at its discretion may and, if so requested in writing by holders of at least 25% of the aggregate principal amount of the outstanding Bonds or if so directed by an extraordinary resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Company declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

Covenants

- (a) **Negative Pledge:** So long as any Bond remains outstanding (as defined in the Trust Deed), the Company shall not, and the Company shall procure that none of its subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (i) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (ii) providing such other security for the Bonds as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the bondholders or as may be approved by an extraordinary resolution (as defined in the Trust Deed) of bondholders.
- (b) **Financial Covenants:** For so long as any Bond remains outstanding, the Company shall not directly or indirectly, permit (i) Maximum Leverage Ratio as at the end of any Relevant Period to exceed 1.3 to 1; (ii) Consolidated EBITDA (as defined in the Trust Deed) to Consolidated Total Debt Service (as defined in the Trust Deed) as at the end of any Relevant Period to be less than 1.3 to 1; or (iii) the Dividend (as defined in the Trust Deed) with respect to any fiscal year to be more than 50% of Net Profit After Tax per Annum (as defined in the Trust Deed) with respect to the same fiscal year.

Redemption

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 4 April 2014, subject to certain conditions set out in the Trust Deed.
- (b) **Redemption for tax reasons:** The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the bondholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to, but excluding the date fixed for redemption, subject to certain conditions set out in the Trust Deed.
- (c) **Redemption for Change of Control:** At any time following the occurrence of a Change of Control, the holder of any Bond will have the right, at such holder's option, to require the Company to redeem all but not some only of that holder's

Bonds on the Change of Control Put Settlement Date (as defined in the Trust Deed) at 101% of their principal amount, together with accrued interest up to (but excluding) such Change of Control Put Settlement Date.

- (d) Redemption for Sale: Following the occurrence of a Redemption for Sale Event (as defined in the Trust Deed), the Bonds shall be redeemed in whole or in part on the next Interest Payment Date (each, a “**Redemption for Sale Call Settlement Date**”) at a price equal to 101% of their principal amount, together with accrued interest up to (but excluding) such Redemption for Sale Call Settlement Date.
- (e) Redemption for Release of Subsidiary Guarantor: At any time following the release of a Subsidiary Guarantor pursuant to certain conditions set out in the Trust Deed (a “**Subsidiary Guarantor Release Event**”), the holder of any Bond will have the right, at such holder’s option, to require the Company to redeem all or part of that holder’s Bonds on the Interest Payment Date falling immediately after such Subsidiary Guarantor Release Event at 101% of their principal amount, together with accrued interest up to (but excluding) such Interest Payment Date.
- (f) Partial redemption: If the Bonds are to be redeemed in part only on any date in accordance with some conditions set out in the Trust Deed, each Bond shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Bonds to be redeemed on the relevant Redemption for Sale Call Settlement Date bears to the aggregate principal amount of outstanding Bonds on such date.

Stabilisation

In connection with the issue of the Bonds, HSBC (as stabilising manager) (or persons acting on behalf of HSBC) may over allot Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than which might otherwise prevail, but in so doing, HSBC shall act as principal and not as agent of the Company. However, there is no assurance that HSBC (or persons acting on behalf of the HSBC) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

Termination of the Subscription Agreement

HSBC may give a termination notice to the Company at any time prior to the payment of the net proceeds of the issue of the Bonds to the Company on the Closing Date if, among others:

- (a) any representation and warranty by the Company or any of the Subsidiary Guarantors in the Subscription Agreement is or proves to be untrue or incorrect on the date of the Subscription Agreement or on any date on which it is deemed to be repeated; or
- (b) the Company or any of the Subsidiary Guarantors fails to perform any of their respective obligations under the Subscription Agreement; or
- (c) any of the conditions precedent set out in the Subscription Agreement is not satisfied or waived by HSBC on the Closing Date; or
- (d) the occurrence of force majeure events, where in the opinion of HSBC, such a change or any development involving a prospective change, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (e) there shall have occurred a general moratorium on, or disruption in, commercial banking activities, securities settlement or clearance services in the United Kingdom, the United States, New York, Hong Kong or the PRC which would be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (f) there shall have occurred a suspension or material limitation of trading in securities generally or trading of securities of the Company on the New York Stock Exchange, the London Stock Exchange or the Stock Exchange or on any other exchange or a material disruption has occurred in the commercial banking or securities settlement or clearance services in the United States or Europe or Hong Kong; or
- (g) the Company withdraws the final offering circular or does not proceed with the Bonds Issue.

Subject to the foregoing, the Bonds are expected to be issued on or about 4 April 2011.

REASONS FOR THE BONDS ISSUE AND THE PROPOSED USE OF PROCEEDS

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 estimated net proceeds of the Bonds Issue, after deducting underwriting fees but before the deduction of expenses payable by the Company will amount to approximately CNY736,875,000, will be intended to be used by the Company for general corporate purposes, to fund its working capital and to fund additional wind farm investment and development. The Company may adjust the foregoing plans in response to changing market conditions and circumstances and thus, may reallocate the use of proceeds.

LISTING

Approval in-principle has been obtained for the listing and quotation of the Bonds on the SGX-ST. Admission of the Bonds to the official list of the SGX-ST and quotation of the Bonds on the SGX-ST are not to be taken as an indication of the merits of the Company, its subsidiaries, or the Bonds. No listing of the Bonds has been sought in Hong Kong.

DEFINITIONS

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

“Agency Agreement”	an agency agreement (as amended or supplemented from time to time) to be entered into between the Company, the Subsidiary Guarantors, HSBC (as CMU lodging agent, registrar, principal paying agent and transfer agent) and the Trustee.
“Board”	the board of directors of the Company
“Bonds”	the 6.375% guaranteed bonds due 2014 in the principal amount of CNY750,000,000 to be issued by the Company
“Bonds Issue”	the issue of Bonds by the Company

“Change of Control” occurs when:

- (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its subsidiaries, taken as a whole, to any person, other than to one or more of the Controlling Shareholders; or
- (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person or persons (other than one or more of the Controlling Shareholders), acting together, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring either (a) more than 35% of the Voting Stock of the Company or the successor entity, or control of more than 35% of the Voting Stock of the Company or the successor entity, or (b) the right to appoint and/or remove all or the majority of the members of the board of directors of the Company or the successor entity or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or
- (iii) the Controlling Shareholders as a group beneficially own less than 30% of the Voting Stock of the Company; or
- (iv) one or more persons (other than the Controlling Shareholders) acquires the legal or beneficial ownership of the issued share capital of the Company greater than such beneficial ownership held by the Controlling Shareholders; or
- (v) individuals who on the Issue Date constituted the Board, together with any new directors whose election by the board of directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the Board then in office, or at any time Mr Liu Shunxing ceases for any reason other than physical or mental incapacitation to be (a) the Chief Executive Officer or the Chairman of the Company or (b) an executive director of the Company

“CMU”	the Central Moneymarkets Unit service operated by the Hong Kong Monetary Authority
“Controlling Shareholders”	(a) Mr Ko Chun Shun, Johnson and/or (b) any of Mr Liu Shunxing, Mr Yang Zhifeng, Mr Wang Xun and Ms Liu Jianhong; and/or (c) any trusts established for the benefit of such shareholders and/or their immediate family members (“related trusts”) and/or any of their executors, administrators, personal representatives or similar representatives and/or beneficiaries of their estate and/or (d) companies controlled by them, their immediate family members or related trusts in such companies’ direct or indirect subsidiaries
“Closing Date”	4 April 2011
“Directors”	the directors of the Company
“Guarantee”	<p>in relation to any Indebtedness of any person, any obligation of another person to pay such Indebtedness including (without limitation);</p> <p>(i) any obligation to purchase such Indebtedness;</p> <p>(ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;</p> <p>(iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and</p> <p>(iv) any other agreement to be responsible for such Indebtedness</p>
“HSBC”	means the Hongkong and Shanghai Banking Corporation Limited

“Indebtedness”	any indebtedness of any person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:
	<ul style="list-style-type: none"> (i) letters of credit, bankers’ acceptance or other similar instruments but excluding obligations with respect to letters of credit (including trade letters of credit) securing obligations entered into in the ordinary course of business of such person to the extent such letters of credit are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the third business day following receipt by such person of a demand for reimbursement; (ii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases; (iii) obligations of such person for the purchase price of property or services to the extent the payment of such obligations is deferred for a period in excess of 180 days (other than trade payables) and refundable deposits held as borrowings; and (iv) obligations of such Persons pursuant to any spot, future, option or other similar agreement or arrangement designed to protect against or speculate with regard to fluctuations in the prices or levels of commodities, currencies or interest rates
“Issue Date”	4 April 2011
“Maximum Leverage Ratio”	as of each date of determination, the ratio of Consolidated Net Borrowings (as defined in the Trust Deed) on such date to Consolidated Tangible Net Worth (as defined in the Trust Deed) on such date
“Relevant Indebtedness”	any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market)

“Relevant Period”	each period of 12 months ending on the last day of the Company’s financial year and each period of six months ending on the last day of the first half of the Company’s financial year
“Security Interest”	any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction
“Subscription Agreement”	the subscription agreement dated 29 March 2011 entered into between the Company, the Subsidiary Guarantors and HSBC in relation to the Bonds Issue
“Trust Deed”	the trust deed to be entered into by the Company, the Subsidiary Guarantors and the Trustee that specified the terms of the Bonds
“Trustee”	HSBC, as trustee
“Voting Stock”	with respect to any person, the issued share capital of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.
“%”	per cent

By order of the Board
Chan Kam Kwan, Jason
Company Secretary

Hong Kong, 29 March 2011

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