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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)

**SUBSCRIPTION OF NEW SHARES BY
HUADIAN FUXIN ENERGY CORPORATION LIMITED
AND
BUSINESS CO-OPERATION WITH
HUADIAN FUXIN ENERGY CORPORATION LIMITED**

On 18 December 2013 (after the trading hours), the Company and Huadian Fuxin entered into the Subscription and Business Co-operation Agreement, pursuant to which (i) Huadian Fuxin agreed to subscribe for 880,000,000 new Shares at the Huadian Subscription Price; and (ii) the Company and Huadian Fuxin agreed to co-operate in the solar and wind power sectors.

THE HUADIAN SUBSCRIPTION

The total number of Huadian Subscription Shares is 880,000,000 new Shares. The Huadian Subscription Shares will be issued at HK\$0.43 per Huadian Subscription Share. The aggregate Huadian Subscription Price amounts to HK\$378.4 million. The Company intends to use the net proceeds for the development of solar and wind power projects.

The Huadian Subscription Shares will be issued pursuant to the Specific Mandate to be obtained at the SGM. A circular containing, among other things, (i) further details of the Huadian Subscription; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

THE BUSINESS CO-OPERATION

Following completion of the Huadian Subscription, the Company and Huadian Fuxin will co-operate in the solar and wind power sectors.

Completion of the Subscription and Business Co-operation Agreement is subject to fulfillment of the conditions precedent. Accordingly, the Subscription and Business Co-operation Agreement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Reference is made to the announcements of the Company dated (i) 12 December 2013 in respect of the potential investment in the Shares and the other business co-operations with the Group; and (ii) 13 December 2013 in respect of the placing of existing Shares and subscription of new Shares.

On 18 December 2013 (after the trading hours), the Company and Huadian Fuxin entered into the Subscription and Business Co-operation Agreement, pursuant to which (i) Huadian Fuxin agreed to subscribe for 880,000,000 new Shares at the Huadian Subscription Price; and (ii) the Company and Huadian Fuxin agreed to co-operate in the solar and wind power sectors.

THE SUBSCRIPTION AND BUSINESS CO-OPERATION AGREEMENT

Date : 18 December 2013

Parties : the Company; and
Huadian Fuxin

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, Huadian Fuxin and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Huadian Subscription

Huadian Subscription Shares

The total number of Huadian Subscription Shares is 880,000,000 new Shares.

The Huadian Subscription Shares represent (i) approximately 11.87% of the existing issued share capital of the Company; (ii) approximately 10.61% of the then issued share capital of the Company as enlarged by the Huadian Subscription; and (iii) approximately 9.89% of the then issued share capital of the Company as enlarged by the Huadian Subscription and the Subscription. The aggregate nominal value of the Huadian Subscription Shares is HK\$8,800,000.

Huadian Subscription Price

The Huadian Subscription Price of HK\$0.43 per Huadian Subscription Share represents (i) a discount of approximately 12.24% to the closing price per Share of HK\$0.49 on 17 December 2013, being the day immediately prior to the date of the Subscription and Business Co-operation Agreement; and (ii) a discount of approximately 15.35% to the average closing price per Share of approximately HK\$0.508 for the last five trading days up to and including 17 December 2013.

The aggregate Huadian Subscription Price amounts to HK\$378.4 million. The aggregate Huadian Subscription Price is payable in cash by Huadian Fuxin within three days upon fulfillment of the conditions precedent.

The Huadian Subscription Price was arrived at after arm's length negotiations between the Company and Huadian Fuxin taking into account the prevailing market price of the Shares, the Group's historical performances and present financial position as well as current market condition. The Board considers that the Huadian Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mandate to issue the Huadian Subscription Shares

The Huadian Subscription Shares will be issued pursuant to the Specific Mandate to be obtained at the SGM.

Ranking

All the Huadian Subscription Shares, when fully paid for and issued, will rank pari passu in all respects among themselves and with the other Shares in issue on the date of allotment of the Huadian Subscription Shares pursuant to the Subscription and Business Co-operation Agreement.

Listing application

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Huadian Subscription Shares.

The Business Co-operation

Wind power projects

Huadian Fuxin will assess the Company's wind power projects which formal approvals have been granted and determine whether to acquire or develop such projects within four months from completion of the Huadian Subscription. In addition, Huadian Fuxin will assess the Company's wind power projects which initial approvals have been granted and determine whether to acquire or develop within three months from the date formal approvals are granted. The Company's wind

power projects which formal or initial approvals have been granted amount to total capacity of 3,500 MW. The Company is not allowed to develop its wind power projects by itself or with other third parties prior to Huadian Fuxin completing the assessment of the Company's wind power projects, and completing the acquisition of the selected projects. In the event Huadian Fuxin forfeits its right to acquire or develop the Company's wind power projects, the Company can develop its wind power projects by itself or with other third parties.

To facilitate the future developments, the Company has the right to form one wind power project company in each province with Huadian Fuxin (the Company will hold more than 51% equity interest in such project company) during the development and construction period. Upon completion of the construction of the projects, Huadian Fuxin has the right to acquire part of the equity interest in such project company based on valuations so that Huadian Fuxin will hold more than 51% equity interest in such project company.

The Company has the right to decide whether to take part in the above projects and to decide its percentage of equity interest in these projects. Huadian Fuxin will be responsible to arrange for financing of these projects.

With regard to the wind power projects developed by Huadian Fuxin, the Company has the priority right to provide engineering, procurement and construction and maintenance services at the prevailing market price.

Solar power projects

Upon completion of the Huadian Subscription, the Company has the priority right to provide engineering, procurement and construction and maintenance services to Huadian Fuxin's solar power projects at the prevailing market price.

The Company has the right to take part in the new solar power projects developed by Huadian Fuxin. For those solar power projects which the Company has taken part, Huadian Fuxin will be responsible to arrange for financing of such projects.

CONDITIONS OF THE SUBSCRIPTION AND BUSINESS CO-OPERATION AGREEMENT

Completion of the Subscription and Business Co-operation Agreement is conditional upon fulfillment of:

- (i) all necessary third party consents and approvals to be obtained by the Company in respect of the Huadian Subscription, including the passing of an ordinary resolution by the Shareholders to approve the Subscription and Business Co-operation Agreement and the transactions contemplated thereunder (if required) and the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Huadian Subscription Shares; and

- (ii) all necessary third party consents and approvals to be obtained by Huadian Fuxin in respect of the Huadian Subscription, including filings to the National Development and Reform Commission and the State-owned Assets Supervision and Administration Commission of the State Council, approvals by the Ministry of Commerce and approvals by the relevant foreign exchange department of the place of registration of Huadian Fuxin, where applicable.

The Subscription and Business Co-operation Agreement will be effective upon the fulfillment of the above conditions precedent. In the event that the Subscription and Business Co-operation Agreement does not become effective within three months from the date of the Subscription and Business Co-operation Agreement, i.e. 17 March 2014, the Subscription and Business Co-operation Agreement will lapse and become null and void forthwith and the parties thereto shall be released from all obligations thereunder.

EFFECT OF THE HUADIAN SUBSCRIPTION

The following table sets out the shareholding structure of the Company as at the date of this announcement and the illustrative shareholding structures of the Company after completion of the Huadian Subscription:

	As at the date of this announcement		Immediately after completion of the Huadian Subscription		Immediately after completion of the Huadian Subscription and the Subscription	
	<i>Number of Shares</i>		<i>Number of Shares</i>		<i>Number of Shares</i>	
CWP Investment (<i>Note 1</i>)	2,023,469,387	27.29%	2,023,469,387	24.40%	2,023,469,387	22.75%
Gain Alpha (<i>Note 2</i>)	1,400,000,000	18.88%	1,400,000,000	16.88%	2,000,000,000	22.49%
Huadian Fuxin	—	—	880,000,000	10.61%	880,000,000	9.89%
Pine Coral (<i>Note 3</i>)	20,000,000	0.27%	20,000,000	0.24%	20,000,000	0.22%
Guangfeng Int'l (<i>Note 4</i>)	115,010,000	1.55%	115,010,000	1.39%	115,010,000	1.29%
Public Shareholders	<u>3,855,195,578</u>	<u>52.01%</u>	<u>3,855,195,578</u>	<u>46.48%</u>	<u>3,855,195,578</u>	<u>43.36%</u>
Total	<u>7,413,674,965</u>	<u>100.00%</u>	<u>8,293,674,965</u>	<u>100.00%</u>	<u>8,893,674,965</u>	<u>100.00%</u>

Notes:

- China Wind Power Investment Limited (“CWP Investment”) is wholly owned by New Energy International Limited (“New Energy”), which in turn is a wholly-owned subsidiary of Concord International Investment Limited (“Concord International”). Four executive Directors, namely Mr. Liu Shunxing (“Mr. Liu”), Mr. Yang Zhifeng, Mr. Wang Xun and Ms. Liu Jianhong held as to 88.02% of the issued shares of Concord International, and the aforesaid four Directors are also directors of Concord International, New Energy and CWP Investment.

2. Mr. Ko Chun Shun, Johnson, the Vice Chairman and an executive Director, is deemed to be interested in 1,400,000,000 Shares held by Gain Alpha Finance Limited (“Gain Alpha”). Gain Alpha is wholly owned by Mr. Ko Chun Shun, Johnson.
3. Ms. Ko Wing Yan, Samantha, an executive Director, is deemed to be interested in 20,000,000 Shares held by Pine Coral Limited (“Pine Coral”). Pine Coral is wholly owned by Ms. Ko Wing Yan, Samantha.
4. Mr. Liu is deemed to be interested in 115,010,000 Shares held by Guangfeng International Holdings Limited (“Guangfeng Int’l”) which is wholly owned by Beijing Guangfeng Energy Technology Limited and is 99% owned by Mr. Liu.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND BUSINESS CO-OPERATION AGREEMENT AND USE OF PROCEEDS

The Company is principally engaged in (i) the wind power sector, investing in various wind farm projects and providing wind power engineering and construction services in the PRC; and (ii) solar energy investments and operations.

Huadian Fuxin, the shares of which are listed on the main board of the Stock Exchange, is primarily engaged in the development, management and operation of hydropower projects and coal-fired power plants in Fujian province and wind power and other clean energy projects throughout the PRC. Huadian Fuxin’s controlling shareholder is China Huadian Corporation (中國華電集團公司), one of the five largest state-owned power generation enterprises in the PRC and administrated by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

The Directors consider that the Subscription and Business Co-operation Agreement represents a good opportunity for the Company to line up with one of the five largest state-owned power generation enterprises in the PRC as well as to strengthen the profile of its shareholders. In addition, the Huadian Subscription also strengthens the Company’s cash resources and working capital position for the development of the Group’s solar and wind power businesses. The Directors are of the view that the terms of the Subscription and Business Co-operation Agreement are fair and reasonable and the Subscription and Business Co-operation Agreement is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Huadian Subscription will amount to HK\$378.4 million. The net proceeds from the Huadian Subscription are estimated to be HK\$378.2 million (representing a price net of expenses of approximately HK\$0.43 per Huadian Subscription Share). The Company intends to use such net proceeds for the development of solar and wind power projects.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS PRIOR TO THE DATE OF THIS ANNOUNCEMENT

Save as disclosed below, the Company has not raised any funds by way of issue of equity securities (other than the exercise of share options in accordance to the share option scheme of the Company) in the past twelve months immediately prior to the date of this announcement:

Description	Announcement date	Net amount raised	Intended use of proceeds as announced	Actual use of proceeds
Subscription of new Shares under a general mandate	13 December 2013	HK\$258 million	Development of solar and wind power projects	The Subscription is pending completion

GENERAL

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Huadian Subscription and the Specific Mandate to allot and issue the Huadian Subscription Shares. To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the SGM in respect of the relevant resolution relating to the Huadian Subscription and the Specific Mandate. A circular containing, among other things, (i) further details of the Huadian Subscription; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

The Company may or may not enter into further agreements with Huadian Fuxin and/or its associates. The Company will issue further announcement(s) pursuant to the Listing Rules.

Completion of the Subscription and Business Co-operation Agreement is subject to fulfillment of the conditions precedent. Accordingly, the Subscription and Business Co-operation Agreement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	China WindPower Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Huadian Fuxin “	Huadian Fuxin Energy Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Huadian Subscription”	the subscription of the Huadian Subscription Shares pursuant to the Subscription and Business Co-operation Agreement
“Huadian Subscription Price”	HK\$0.43 per Huadian Subscription Share
“Huadian Subscription Shares”	880,000,000 new Shares to be subscribed for by Huadian Fuxin under the Subscription and Business Co-operation Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing and Subscription Agreement”	the placing and subscription agreement entered into amongst the Company, the placing agent and Gain Alpha dated 13 December 2013
“PRC”	the People’s Republic of China

“SGM”	a special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the Subscription and Business Co-operation Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of Shares
“Specific Mandate”	the specific mandate to be granted by the Shareholders to the Board at the SGM for the allotment and issue of 880,000,000 Huadian Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the 600,000,000 new Shares pursuant to the Placing and Subscription Agreement, details of which are disclosed in the announcement of the Company dated 13 December 2013
“Subscription and Business Co-operation Agreement”	the subscription and business co-operation agreement entered into between the Company and Huadian Fuxin and the letter issued by Huadian Fuxin to the Company confirming the number of Huadian Subscription Shares, both dated 18 December 2013
“%”	percentage

By order of the Board
China WindPower Group Limited
Liu Shunxing
Chairman

Hong Kong, 18 December 2013

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

* *for identification purpose only*