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中国风电集团有限公司*

China WindPower Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 182)

DISCLOSEABLE TRANSACTION FINANCE LEASE

On 20 August 2014, the Lessee, Tianjin Century (both wholly-owned subsidiaries of the Company) and the Lessor entered into the Finance Lease Agreement. Pursuant to the Initial Finance Lease under the Finance Lease Agreement, subject to the terms and conditions therein, (i) the Lessor will purchase certain Equipment from the Group at a consideration of RMB500 million (equivalent to approximately HK\$630 million); and (ii) the Lessor will lease the certain Equipment back to the Lessee for a term of 10 years at an aggregate lease consideration of approximately RMB587.1 million (equivalent to approximately HK\$739.7 million).

The Initial Finance Lease (including the transactions contemplated under the Other Agreements) constitutes a discloseable transaction of the Company under the Listing Rules and thus is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE FINANCE LEASE AGREEMENT

Date: 20 August 2014

Parties: Lessee: Yulin Century Concord Ecological New Energy Co., Ltd. (榆林協合生態新能源有限公司), a wholly-owned subsidiary of the Company

Tianjin Century, a wholly-owned subsidiary of the Company, which is principally engaged in the sales of wind power equipment and new energy equipment, and will supply the Equipment

* for identification purposes only

Lessor: ICBC Financial Leasing Co., Ltd. (工銀金融租賃有限公司), which is principally engaged in the business of finance lease. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons

Initial Finance Lease

On 20 August 2014, the Lessee, Tianjin Century and the Lessor entered into the Finance Lease Agreement. Pursuant to the Initial Finance Lease under the Finance Lease Agreement, subject to the terms and conditions therein, (i) the Lessor will purchase certain Equipment from the Group amounting to a consideration of RMB500 million (equivalent to approximately HK\$630 million); and (ii) the Lessor will lease such Equipment back to the Lessee for a term of 10 years (which is expected to commence from August 2014) at an aggregate lease consideration of approximately RMB587.1 million (equivalent to approximately HK\$739.7 million), to be payable in 40 quarterly installments commencing from around November 2014 (as specified in the Finance Lease Agreement). The aggregate lease consideration of approximately RMB587.1 million (equivalent to approximately HK\$739.7 million) was determined after arm's length negotiation between Lessor and the Lessee with reference to, among other things, the Lessor's purchase cost of the Equipment and the below interest rate.

The Equipment comprises certain machinery and equipment for the operation of the solar energy project of the Lessee located at Shaanxi Province (陝西省), the PRC.

Interest rate

The interest rate under the Finance Lease Agreement is calculated on the basis of 6.55% being the benchmark lending rate announced by the People's Bank of China for loans with a term of over 5 years. The interest payment (forming part of the lease consideration) under the Finance Lease Agreement shall be paid in 40 quarterly installments commencing from around November 2014 (as specified in the Finance Lease Agreement).

During the lease term, if there is any adjustment on benchmark lending rate announced by the People's Bank of China for loans with a term of over 5 years, corresponding adjustment will be made to the interest rate under the Finance Lease Agreement on the first day of the forthcoming month.

The terms and the consideration under the Finance Lease Agreement including the lease payment and the interest rate have been agreed after arm's length negotiation between the parties with reference to the prevailing market practice.

Ownership of the Equipment

Although the selection of the Equipment will be at the sole discretion of the Lessee, the legal ownership of the Equipment belongs to the Lessor during the lease period. Upon the end of the lease period, the Lessee is eligible to purchase the Equipment at a nominal consideration of RMB1 provided that the Lessee has fulfilled all of its obligations under the Finance Lease Agreement including the full payment of the lease and interest payment and all other expenses as described in the Finance Lease Agreement.

Early Purchase of the Equipment

The Lessee is eligible to purchase the Equipment at a date (the “Early Purchase Date”) before the end of the lease term by serving a 30 business days’ prior written notice to the Lessor (and after obtaining the written consent from the Lessor) at a consideration being the sum of (i) all outstanding unpaid pre-lease interest/lease payment and interest payment up to the Early Purchase Date; (ii) all the unpaid Lessor’s purchase cost of the Equipment; (iii) the Early Purchase Fee (note); (iv) value-added tax payable and all other expenses as a result of the early purchase of the Equipment; and (v) the nominal consideration of RMB1.00.

Note: the Early Purchase Fee will be calculated according to the schedule below:

Early Purchase Date	Early Purchase Fee
within the first three years of the lease term	3% on all the unpaid Lessor’s purchase cost of the Equipment
from the third year to the fifth year of the lease term	2% on all the unpaid Lessor’s purchase cost of the Equipment
from the fifth year to the end of the lease term	1% on all the unpaid Lessor’s purchase cost of the Equipment

Additional Finance Lease

Pursuant to the Finance Lease Agreement, the Lessee may by way of giving notice to the Lessor to enter into the Additional Finance Lease under which (i) the Lessor will purchase additional Equipment from the Group amounting to a consideration up to RMB500 million (equivalent to approximately HK\$630 million); and (ii) the Lessor will lease such additional Equipment back to the Lessee for a term of 10 years amounting to an aggregate lease to be determined based on, among others, the Lessor’s purchase cost of such additional equipment and the then prevailing market interest rate. The Company will comply with the applicable Listing Rules if the Lessee decides to enter into the Additional Finance Lease.

OTHER AGREEMENTS

Pursuant to the Share Pledge Agreement entered into between Yinhua (a wholly owned subsidiary of the Company and the direct shareholder of the Lessee) and the Lessor on 20 August 2014, Yinhua has agreed to pledge its equity interest in the Lessee, being the entire equity interest of the Lessee as security in favour of the Lessor in respect of the amount payable by Lessee under the Finance Lease Agreement including the pre-lease interests, the lease payment (including the prepaid lease payment), overdue interest, Early Purchase Fee (if any), compensation arising from breach of contract, damages, compensation for losses, equipment purchase cost, payment incurred by the Lessor in relation to the enforcement of the pledge and creditor's right and other payables.

On 20 August 2014, the Lessor and the Lessee entered into the Accounts Receivable Security Agreement pursuant to which the Lessee has agreed to pledge its tariff collection rights in favour of the Lessor as security for its amount payable under the Finance Lease Agreement.

Pursuant to the Repurchase Agreements dated 20 August 2014, each of the Company and Century Concord as (indirect) shareholders of the Lessee has agreed to purchase the Equipment from the Lessor upon the occurrence of any of the following events: (a) the Lessee fails to (i) repay the pre-lease interest/lease payment in full/on time for two consecutive installments; or (ii) the accumulative unsettled pre-lease interest, lease payment or other amount payable exceeds one installment amount as set out in the Finance Lease Agreement; (b) the Lessee's breach of the Finance Lease Agreement or the relevant Equipment purchase contract which may lead to substantial loss on the Lessor; (c) the termination of the Finance Lease Agreement and/or the relevant Equipment purchase contract and the termination of which is not caused by the Lessor; (d) the Lessee fails to compensate the Lessor as a result of the total loss or takeover of the Equipment; and (e) the Lessor intends to terminate the Finance Lease Agreement as a result of Tianjin Century (the party responsible for the purchase of the Equipment from supplier(s)) fails to deliver the Equipment by the timeline as described in the Finance Lease Agreement after the Lessor has paid the purchase cost of the Equipment.

The purchase price payable by the Company and Century Concord under the Repurchase Agreements shall include all the outstanding pre-lease interest, lease payment, overdue interest, compensation for losses and other amount payable by the Lessee to the Lessor.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

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. The Lessee is principally engaged in the solar power plant investment and operation in the PRC.

The Directors are of the view that under the Initial Finance Lease, the Group will obtain financing from the Equipment and gain access to the use of the certain Equipment. The terms under the Initial Finance Lease, the Share Pledge Agreement, the Accounts Receivable Security Agreement and the Repurchase Agreements have been agreed after arm's length negotiation between the relevant parties

with reference to the prevailing market practice. The Directors consider the terms of the Initial Finance Lease and the Other Agreements are on normal commercial terms, fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

The Initial Finance Lease (including the transactions contemplated under the Other Agreements) constitutes a discloseable transaction of the Company under the Listing Rules and thus is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITION

“Accounts Receivable Security Agreement”	the agreement dated 20 August 2014 entered into between the Lessor and the Lessee pursuant to which the Lessee has agreed to pledge its tariff collection rights in favour of the Lessor as security for its amount payable under the Finance Lease Agreement
“Additional Finance Lease”	the additional finance lease that the Group may enter into pursuant to the Finance Lease Agreement and as set out under the paragraph headed “Additional Finance Lease” in this announcement
“Century Concord”	Century Concord Wind Power Investment Co., Ltd., a wholly-owned subsidiary of the Company
“Company”	China WindPower Group Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Early Purchase Date”	the date that the Lessee purchases the Equipment before the end of the lease term under the Finance Lease Agreement
“Early Purchase Fee”	the fee payable by the Lessee to the Lessor in the case that the Lessee purchases the Equipment before the end of the lease term under the Finance Lease Agreement, the calculation of such fee is set out in the paragraph headed “Early Purchase of the Equipment” in this announcement
“Equipment”	machinery and equipment for the operation of the solar energy project of the Lessee located at Shaanxi Province, the PRC

“Finance Lease Agreement”	an agreement entered into between the Lessee and the Lessor dated 20 August 2014 as supplemented by an agreement dated 20 August 2014 between the Lessee, Tianjin Century and Lessor
“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
“Initial Finance Lease”	the initial finance lease the Group will enter into pursuant to the Finance Lease Agreement and as set out under the section headed “Initial Finance Lease” in this announcement
“Lessor”	ICBC Financial Leasing Co., Ltd. (工銀金融租賃有限公司)
“Lessee”	Yulin Century Concord Ecological New Energy Co., Ltd (榆林協合生態新能源有限公司), a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Agreements”	Finance Lease Agreement, the Share Pledge Agreement, the Accounts Receivable Security Agreement and the Repurchase Agreements
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share Pledge Agreement”	the agreement entered into between Yinhua and the Lessor on 20 August 2014 pursuant to which Yinhua has agreed to pledge its equity interest in the Lessee in favour of the Lesser as described in the section headed “Other Agreements” in this announcement
“Repurchase Agreements”	the two agreements entered into between (i) the Lessor and Century Concord; and (ii) the Lessor and the Company both dated 20 August 2014 as described in the section headed “Other Agreements” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tianjin Century” Tianjin Century Concord Huaxing Wind Power Equipment Co., Ltd. (天津協合華興風電裝備有限公司), a wholly-owned subsidiary of the Company

“Yinhua” Yinhua Century Concord New Energy Investment Limited (銀華協合新能源投資有限公司), a wholly-owned subsidiary of the Company

For illustration purpose of this announcement, the exchange rate of RMB1=HK\$1.26.

By order of the Board
CHINA WINDPOWER GROUP LIMITED
Liu Shunxing
Chairman

20 August 2014, Hong Kong

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