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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)**

## **PROPOSED CAPITAL REORGANISATION**

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The Board intends to put forward the Proposed Capital Reorganisation for approval by the Shareholders at the SGM, under which the entire amount standing to the credit of the Share Premium Account will be cancelled and part of the credit arising therefrom will be utilised to eliminate the balance of the Accumulated Losses with the balance to be transferred to the Contributed Surplus Account.

### **GENERAL**

The Proposed Capital Reorganisation is conditional upon the Shareholders passing a special resolution to approve the Proposed Capital Reorganisation at the SGM. As none of the Shareholders is interested in the Proposed Capital Reorganisation, no Shareholder is required to abstain from voting on the Proposed Capital Reorganisation.

A circular containing, inter alia, further details of the Proposed Capital Reorganisation and a notice convening the SGM will be issued and despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

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\* *for identification purposes only*

## **Effects of the Proposed Capital Reorganisation**

As at 31 December 2010, the amount standing to the credit of the Share Premium Account and the Accumulated Losses of the Company were approximately HK\$2,977,754,000 and approximately HK\$380,777,000 respectively, as shown in the audited financial statements of the Company for the year ended 31 December 2010. It is proposed that, subject to the conditions set out in the section headed “Conditions for the Proposed Capital Reorganisation”, the entire amount standing to the credit of the Share Premium Account as at the Effective Date will be utilised to eliminate the Accumulated Losses with the balance to be transferred to the Contributed Surplus Account.

Other than the expenses incurred by the Company in relation to the Proposed Capital Reorganisation, the Board considers the implementation of the Proposed Capital Reorganisation will not, of itself, have material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or affect the proportionate interests of the Shareholders.

## **Reasons for the Proposed Capital Reorganisation**

The Company has audited Accumulated Losses of approximately HK\$380,777,000 as at 31 December 2010. The Board is of the view that the Proposed Capital Reorganisation will (i) allow the Company to eliminate the Accumulated Losses arising from the Group’s past operations, thus enable a better appreciation of the financial position of the Group and its current businesses; and (ii) bring the Company to a position that might permit the payment of dividends if and when the Company’s financial position allows and the Board considers appropriate in the future, although there is no guarantee that dividend(s) will be declared or paid upon the Proposed Capital Reorganisation becoming effective or at any time in the future. The Board considers that the Proposed Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

## **Conditions for the Proposed Capital Reorganisation**

The Proposed Capital Reorganisation is conditional upon:

- (1) the passing of a special resolution by the Shareholders to approve the Proposed Capital Reorganisation at the SGM; and
- (2) compliance with Section 46(2) of the Companies Act, including (a) publication of a notice of the Proposed Capital Reorganisation in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and (b) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing the Company is, or after the Proposed Capital Reorganisation would be, unable to pay its liabilities as they become due.

## **Expected Effective Date of the Proposed Capital Reorganisation**

Assuming the above conditions are fulfilled, it is expected that the Proposed Capital Reorganisation will become effective on the next business day immediately following the date of passing the relevant special resolution approving the Proposed Capital Reorganisation.

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A circular containing, inter alia, further details of the Proposed Capital Reorganisation and a notice convening the SGM will be issued and despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

**Shareholders and potential investors should also be aware of and take note that the Proposed Capital Reorganisation is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Proposed Capital Reorganisation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Accumulated Losses”	the audited balance in the accumulated losses account of the Company as at 31 December 2010 of approximately HK\$380,777,000
“Board”	the board of Directors
“Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“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
“Directors”	the directors of the Company

“Effective Date”	the date on which the Proposed Capital Reorganisation shall become effective, being the next business day immediately following the date of the SGM at which the relevant special resolution approving the Proposed Capital Reorganisation will be considered by the Shareholders
“Group”	the Company and its subsidiaries
“Proposed Capital Reorganisation”	the proposed cancellation of the Share Premium Account and the Accumulated Losses that the entire amount standing to the credit of the Share Premium Account will be cancelled and part of the credit arising therefrom will be utilised to eliminate the balance of the Accumulated Losses with the balance to be transferred to the Contributed Surplus Account
“SGM”	a special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Proposed Capital Reorganisation by the Shareholders
“Share Premium Account”	the share premium account of the Company
“Shareholders”	shareholders of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 16 September 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, Mr. Zhou Zhizhong, Ms. Ko Wing Yan, Samantha and Mr. Chan Kam Kwan, Jason (who are executive directors), Mr. Tsoi Tong Hoo, Tony (who is non-executive director), and Dr. Zhou Dadi, Dr. Wong Yau Kar, David JP and Mr. Yap Fat Suan (who are independent non-executive directors).*