中国风电集团有限公司*

China WindPower Group Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 182)

DISCLOSEABLE AND CONNECTED TRANSACTION FORMATION OF JOINT VENTURES

Century Concord WP, an indirect wholly-owned subsidiary of the Company, and Liaoning Energy have established JV1 pursuant to a joint venture contract dated 6 February 2009. On 10 April 2009, Century Concord WP and Liaoning Energy entered into another joint venture contract to jointly establish JV2 in Zhangwu, Fuxin, Liaoning province, the PRC. Both JV1 and JV2 are proposed to undertake wind farm projects in the PRC.

The registered capital of JV1 is RMB100 million (approximately HK$113 million). The Group holds a 60% equity interest in JV1, with the remaining 40% equity interest in JV1 held by Liaoning Energy. JV1 is a non wholly-owned subsidiary of the Company.

JV2 will have the same capital structure of JV1, with RMB100 million registered capital to be contributed by the Group as to 60% and by Liaoning Energy as to 40%.

The Group entered into JV Contract 1 and JV Contract 2 within a 12-month period. The formation of JV1 and JV2, in aggregate, constitute a discloseable transaction for the Company as certain relevant percentage ratios in respect of the transactions exceed 5% but are less than 25%.

When JV Contract 1 was entered into, Liaoning Energy was not a connected person of the Company. Liaoning Energy is a substantial shareholder of JV1, a non wholly-owned subsidiary of the Company, and thus is a connected person of the Company. The proposed formation of JV2 constitutes a connected transaction for the Company as defined under Rule 14A.13 of the Listing Rules. As certain percentage ratios in respect of JV2 exceed 2.5% and the total relevant commitment of the Group is more than HK$10,000,000, the formation of JV2 is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

* *for identification purposes only*

No Shareholder is required to abstain from voting at the special general meeting of the Company for approving the proposed formation of JV2.

A circular containing, among other things, details of the formation of JV2, the recommendation of the independent board committee and the opinion of the independent financial adviser will be despatched to the Shareholders of the Company as soon as practicable.

INTRODUCTION

Century Concord WP, an indirect wholly-owned subsidiary of the Company, and Liaoning Energy have established JV1 pursuant to a joint venture contract dated 6 February 2009. On 10 April 2009, Century Concord WP and Liaoning Energy entered into another joint venture contract to jointly establish JV2 in Zhangwu, Fuxin, Liaoning province, the PRC. Both JV1 and JV2 are proposed to undertake wind farm projects in the PRC.

The registered capital of JV1 is RMB100 million (approximately HK$113 million). The Group holds a 60% equity interest in JV1, with the remaining 40% equity interest in JV1 held by Liaoning Energy. JV1 is a non wholly-owned subsidiary of the Company.

JV2 will have the same capital structure of JV1, with RMB100 million registered capital to be contributed by the Group as to 60% and by Liaoning Energy as to 40%.

FORMATION OF JV1 AND JV2

JV1

On 6 February 2009, Century Concord WP (an indirect wholly-owned subsidiary of the Company) and Liaoning Energy entered into JV Contract 1 to jointly establish JV1 at Zhangwu, Fuxin, Liaoning province, the PRC to undertake wind farm projects in the PRC.

Name of JV1

阜新巨龍湖風力發電有限公司

The joint venture parties

(a) Century Concord WP, an indirect wholly-owned subsidiary of the Company; and
(b) Liaoning Energy

Registered capital and total investment of JV1

Total investment: RMB498,836,000 (approximately HK$563.68 million)

Registered capital: RMB100 million (approximately HK$113 million)

The remaining part of the total investment of JV1 of RMB398,836,000 can be raised by JV1 in form of external debts. Apart from the capital contribution mentioned above, Century Concord WP does not have any further commitment to make any further capital contribution or provide funding to JV1.

Pursuant to the JV Contract 1, Century Concord WP has contributed RMB18 million (approximately HK$20.34 million) and Liaoning Energy has contributed RMB12 million (approximately HK$13.56 million) to the registered capital of JV1. Each of Century Concord WP and Liaoning Energy shall respectively further contribute RMB42 million (approximately HK$47.46 million) and RMB28 million (approximately HK$31.64 million) to the registered capital of JV1 within 180 days from the grant of the business licence of JV1.

JV1 was established on 9 February 2009 and Century Concord WP and Liaoning Energy respectively hold 60% and 40% of the equity capital in JV1. JV1 is a non wholly-owned subsidiary of the Company.

JV2

On 10 April 2009, Century Concord WP (an indirect wholly-owned subsidiary of the Company) and Liaoning Energy entered into JV Contract 2 to jointly establish JV2 at Zhangwu, Fuxin, Liaoning province, the PRC to undertake wind farm projects in the PRC.

Under JV Contract 2, Century Concord WP's commitment to establish JV2 is conditional on the Company having obtained approval from its independent shareholders pursuant to the relevant requirements of the Listing Rules and approval from the State-owned Assets Supervision and Administration Commission of Liaoning Provincial government.

Name of JV2

阜新千佛山風力發電有限責任公司

The joint venture parties

(a) Century Concord WP; and
(b) Liaoning Energy

Registered capital and total investment of JV2

Total investment: RMB498,836,000 (approximately HK$563.68 million)

Registered capital: RMB100 million (approximately HK$113 million)

Century Concord WP and Liaoning Energy shall respectively hold 60% and 40% of the equity capital in JV2 by contributing RMB60 million (approximately HK$67.8 million) and RMB40 million (approximately HK$45.2 million) respectively to the registered capital of JV2 in cash.

The remaining part of the total investment of JV2 of RMB398,836,000 can be raised by JV2 in the form of external debts. Apart from the capital contribution mentioned above, Century Concord WP does not have any further commitment to make any further capital contribution or provide funding to JV2.

Subject to the Company obtaining approval from its independent shareholders as required by the Listing Rules and approval from the State-owned Assets Supervision and Administration Commission of Liaoning Provincial government, each of Century Concord WP and Liaoning Energy shall contribute to the registered capital of JV2 in accordance with the following schedule:

(i) within 90 days from the date of JV Contract 2, each of Century Concord WP and Liaoning Energy shall respectively contribute RMB18 million (approximately HK$20.34 million) and RMB12 million (approximately HK$13.56 million) and;

(ii) within 180 days from the grant of the business licence of JV2, each of Century Concord WP and Liaoning Energy shall respectively contribute RMB42 million (approximately HK$47.46 million) and RMB28 million (approximately HK$31.64 million).

JV2 shall be a non-wholly owned subsidiary of the Company after its formation.

Scope of business of JV1 and JV2

Pursuant to JV Contract 1 and JV Contract 2, the proposed scope of business of JV1 and JV2 covers the development, construction, and operation of wind power electricity facilities, as well as providing consultancy services, training, technical support, research and development and engineering services in respect of wind power projects.

It is intended that each of JV 1 and JV2 will undertake wind farm projects in the PRC with an initial target installed capacity of 50MW.

Term of JV1 and JV2

Each of JV1 and JV2 shall have an initial term of 30 years commencing from the establishment dates.

Board composition of JV1 and JV2

Each of JV1 and JV2 shall comprise five directors of which three will be nominated by Century Concord WP and two will be nominated by Liaoning Energy, with the chairman of the respective board of JV1 and JV2 be nominated by Century Concord WP and the vice-chairman be nominated by Liaoning Energy. Two-thirds of directors (with the presence of at least a director nominated by each of Century Concord WP and Liaoning Energy) present in person or by proxy is the required quorum of a board meeting. Except for certain events such as related party transactions, asset pledge or guarantee which require the approval of at least two-thirds of all directors, other board resolutions are required to be approved by a simple majority of the directors.

General meetings of JV1 and JV2

In respect of JV1 and JV2, any resolution proposed at general meeting requires the approval of not less than two-thirds of all outstanding voting rights.

REASONS FOR THE ESTABLISHMENT OF THE JOINT VENTURE COMPANIES

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 sees great potential in the wind power business in the PRC due to the more favourable government policy on clean energy and the growing demand for electricity in the PRC. The Group has been setting up joint ventures with local partners, including entities owned by the relevant municipal governments, and other seasoned business partners, to develop wind power projects. The establishment of JV1 and JV2 is in the Group's usual and ordinary course of business and represents a further step of the Group to expand its wind power business in the PRC. The Company intends to finance its investment in the joint venture companies by the Group's internal resources.

The terms of the JV Contract 1 and JV Contract 2 were negotiated on an arm's length basis. The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the opinion of the independent financial adviser to be appointed by the independent board committee) consider that the terms of JV Contract 1 and JV Contract 2 are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON LIAONING ENERGY

Liaoning Energy is a stated owned enterprise in the PRC owned by the State-owned Assets Supervision and Administration Commission of Liaoning Provincial government 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.

Before the establishment of JV1 and JV2, the Group acquired an indirect interest in Changtu Liaoneng Xiexin Wind Power Co., Ltd. (昌圖遼能協鑫風力發電有限公司) in which Liaoning Energy and the Group hold a 75% and a 25% equity interest respectively. Changtu Liaoneng Xiexin Wind Power Co., Ltd. (昌圖遼能協鑫風力發電有限公司) is an associate of the Group for accounting purposes.

General

The Group entered into JV Contract 1 and JV Contract 2 within a 12-month period. The formation of JV1 and JV2, in aggregate, constitute a discloseable transaction for the Company as certain relevant percentage ratios in respect of the transactions exceed 5% but are less than 25%.

When JV Contract 1 was entered into, Liaoning Energy was not a connected person of the Company. Liaoning Energy is a substantial shareholder of JV1, a non wholly-owned subsidiary of the Company, and thus is a connected person of the Company. The proposed formation of JV2 constitutes a connected transaction for the Company as defined under Rule 14A.13 of the Listing Rules. As certain percentage ratios in respect of JV2 exceed 2.5% and the total relevant commitment of the Group is more than HK$10,000,000, the formation of JV2 is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

No Shareholder is required to abstain from voting at the special general meeting of the Company for approving the proposed formation of JV2.

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BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Ko Chun Shun, Johnson, Mr. Liu Shunxing, Mr. Wang Xun, Mr. Yang Zhifeng, Ms. Liu Jianhong and Mr. Chan Kam Kwan, Jason (who are executive Directors), Mr. Tsoi Tong Hoo, Tony (who is a non-executive Director), and Mr. Ho Tak Man, Billy, Mr. Yap Fat Suan and Dr. Wong Yau Kar, David (who are independent non-executive Directors).

DEFINITIONS

In this announcement, capitalized terms have the meanings as defined in the Announcement or the following meanings:

"Century Concord WP "	協合風電投資有限公司 (Century Concord Wind Power Investment Ltd.) , a company incorporated in the PRC with limited liability and it is a indirect wholly-owned subsidiary of the Company
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"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
"Director(s)"	the director(s) of the Company
"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
"JV1"	阜新巨龍湖風力發電有限公司, a sino-foreign equity joint venture with limited liability established by Century Concord WP and Liaoning Energy at Zhangwu, Fuxin, Liaoning province, the PRC
"JV2"	阜新千佛山風力發電有限責任公司, a sino-foreign equity joint venture with limited liability to be established by Century Concord WP and Liaoning Energy at Zhangwu, Fuxin, Liaoning province, the PRC
"JV Contract 1"	the agreement dated 6 February 2009 entered into between Century Concord WP and Liaoning Energy relating to the establishment of JV1
"JV Contract 2"	the agreement dated 10 April 2009 entered into between Century Concord WP and Liaoning Energy relating to the proposed establishment of JV2
"Liaoning Energy"	遼寧能源投資(集團)有限責任公司, a company incorporated in the PRC with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"MW"	Megawatt (1,000,000 watts), the commonly used unit of power in quantifying the electricity generation
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board
CHINA WINDPOWER GROUP LIMITED
Liu Shunxing
Chief Executive Officer

14 April 2009, Hong Kong